


WHAT IS THE MATTER
WITH CANADA

POLITICUS

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What is the Matter with Canada ?

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PREFACE.

It may seem presumptuous to address one's fellow citizens on such an involved and intricate problem as "What is wrong with Canada?" The apology is, that one can but present the causes as he sees them. The writer has lived and hoped in this land for many years; he has lived in and learned of other lands; and he brings together in these pages some results of experience and study at home and abroad. If these serve to stimulate thought and discussion, even disputation and difference, he will feel rewarded; and if, by any chance, they should contribute towards some sort of practical and definite action, he will as a patriotic British Canadian, rejoice with exceeding great joy.

The aim of this brief treatise is to show that in Canada we have failed to employ, even in a small degree, the tremendous potentiality of Education and Government. These great instruments, so potent in some other lands for welfare and prosperity, we have hardly touched, because of not sufficiently appreciating their amazing possible co-ordination and linkage.

Before the war Germany and, in an increasing degree, Japan, not to mention some lesser lands, had harnessed and utilized all the various agencies whereby Government (Imperial, State, Municipal), assisted by the study, experimentation and counsel of experts (*i.e.*, education), could advance the interests of capital and labour in all their ramifications.

In the past, in Canada, Education and Government have, like the individual citizen's politics and religion in most Anglo-Saxon communities, occupied watertight compartments; there has been almost no direct connection of these with each other, and still less with

general economic activities. In what was, however, the enemy land, universities were centres of propaganda and information for the public at large, as well as for the students, for the Government had succeeded in interlocking and dovetailing, till there was an interdependence and co-operation that resulted in an ability to compete with the outside world at great advantage.

The British Empire, also, has these great agencies, and it must continue to recognize, as it has begun to do, how they can be employed, and what promise there is in them ; for such action is the promise of comprehensive mastery and ever widening helpful guidance of Government, directed by a people that has been educated aright, and who, in consequence, interprets and accepts Government as a wonder-working partner, having been awakened to its inescapable command over policies, internal and external.

At an early stage of his somewhat varied career, the writer was put through his paces by a dominie, who is now, by the way, a Justice of a Supreme Court. On one occasion a reference was made to an anonymous piece of poetry. This led our witty dominie to tell us of an ancient schoolmaster, much more virile and vigorous than erudite, who taught him in a primitive settlement during his hobbledehoy period. One day the subject was a poem signed "*Anon.*" After this poem had been read several times, the old master asked who wrote it ; and then seeing the class hesitate, he thundered forth, "Anon, you blockheads !"

It is as "*Anon*" that the author desires to appear on the title page, and there are various grounds and reasons that appeal to him in favour of such anonymity. He is keen to hear, to read, and learn, what his relations, friends and acquaintances—and, too, enemies, if such there be—say of the book, especially when he, the author, is found, perchance, damning it with faint praise ; and he is also anxious to see any reviews that

may be uncoloured and unbiassed, thanks to the reviewers knowing naught about the author.

In conclusion, he cannot emphasise too strongly his impartiality ; there is no special pleading, no particular politics, no sectionalism, no East or West. If he can give some stimulus, so that in the coming days Education and Government (in the light of a full conception of their destined increasing purpose) may contribute in a greater degree to inspiration and high achievement among Canada's citizens, and notably among her youth ; and if he can bring home, in some measure, to his fellow countrymen the illimitable possibilities (particularly in the hands of experts passionately, yet prudently, patriotic) of this same Education and Government, at present so slightly appreciated and so poorly utilised, then he will be content to rest in hope.

The changes in legislation affecting social and economic activity in Canada have been so rapid recently that it is extremely difficult to keep pace with them. The writer of this book has suffered much because of this. No sooner has he finished a chapter than he finds something new has happened in connection with the subject he has written upon.

His proposals and suggestions in several instances have engaged, or are engaging, the attention or action of government, federal or local, of organisations, commercial or social. But as his book was already in press, and his publishers were far away, he has had to leave extended notice, and content himself with brief reference in this preface to some of them. Thus in the matter of immigration much has happened. The co-operative activity of governments, federal and provincial, of railways and land companies, has marked a distinct advance.

Prospective settlers are now being hand picked,

passages arranged, farms made ready, even machinery and stock supplied, and all these on favourable terms.

In a word, farm settlement has been made a lot easier, and this co-operative aid, though tardy, marks an important step in advance. One of the leading popular magazines* of the Dominion has been carrying on an open forum on the same subject. This has attracted very wide attention, and many communications have been published in its columns from Canadians, East and West. Among the most significant suggestions are the following : (a) That we Canadians should think thrift less and venture more, like our cousins in U.S. (b) The advisability of a Department of Research in Immigration. (c) What is wanted in Canada, more than tariffs, is the wholehearted support of the Canadian public in demanding and wearing Canada-made productions. (d) It is a matter of offering a decent reward to workers of head and hand. Exodus is due almost entirely to the extremely parsimonious reward which Canada offers to its young men of brains.

The needs of growing industry are being met in some larger degree through the provision made for scientific and industrial research. This provision is as yet far from adequate. There is, too, a large increase in vocational schools. Between 1919 and 1927, the enrolment in these schools jumped from 8512 to 34,703. If evening classes are included the total attendance reaches 97,508. Both political parties have gone on record as favouring progressive policies in respect to picked immigrants, research, development of wealth in forest, field and mine.

As correcting a possible mis-statement in the body of this book, it should be added that according to the Department of Finance of the Federal Government of Canada, the Public Debt has been reduced since 1924 to the extent of \$161,440,000.

* *Maclean's Magazine*—Toronto.

WHAT IS THE MATTER WITH CANADA ?

CHAPTER I.

WHAT is wrong with this country called Canada ? It is not the proverbial pessimist nor the calamity howler that asks this significant question ; it is the thoughtful citizen, eager and anxious to face a positive situation, and to do so with honesty. In the discussion of such a problem, it is patent that the pure party politician must be ruled out, for he is certain to be a creature of bias or dictation because of party affiliation : in a word, he is disqualified by prejudice and partisanship. Yet nowhere is there more talk of Canada's resources, potential wealth, cheap power, than on the public platform and in the press of all parties within its borders.

If Canada had population in proportion to her possibilities in forest and farm, in mining and manufacturing, there would be millions of people where there are now but thousands ; there would be farms where there now is but farness ; and there would be towns where there now are but water-tanks.

Let the men and women who were in their teens and their early twenties, when this century had its birth, cast back and recall the ringing messages of writers and speakers—"The Nineteenth Century belonged to the United States, the Twentieth belongs to Canada" ; "Twenty millions in Canada by 1920." These and the like were the clarion cries, and striking shibboleths, of enthusiastic patriots and eager new-comers. In one of the political fights during this period, a flaming streamer, stretched across a huge auditorium crammed with a cheering crowd, read, "Canada for us, not for U.S."

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There was great expectancy, for Canada was heralded as the Coming Country, the Land of Opportunity. On all sides one heard of free land and fertile fields, tempting town-sites, marvellous mines, transcontinental transportation, superior steamships, Atlantic and Pacific outlets ; and of all these requiring but the presence of the people—the settler and his family. And a period of rapid influx of population and capital did, in fact, eventuate for a time, for the optimism was extreme. Canada had arrived, and immigrants from Europe, from the British Isles, and from the United States, came in large numbers to the Great New West. After a while, however, the tide receded, the rate of increase declined, and eventually ceased. But that was not all. An outflow, an ebb-tide, followed. People began to emigrate instead of immigrate ; thousands trekked to the Republic South of the 49th parallel ; and a steady stream of the best of Canada's brain and brawn, of its youth and its middle-aged, poured into the American Union.

It was said there were more Maritime Provinces' people in the New England States than in these same Provinces by the sea ; and that there were more Canadians, including their descendants, and counting their natural increase, in this big Republic of the Stars and Stripes, than in the Land of the Maple.

It was useless to conceal the facts ; it was vain to discount the figures : they were there in the statistics. And Canada, after twenty years of the New Century, had barely nine million human beings within her gates—that is, not many more than Greater New York or Greater London ; or in other words, in all her wide spaces, on all her unploughed prairies, in her cities and towns, on her farms and frontiers, there were fewer inhabitants than in larger single States to the South.

The question of the years from 1880 to 1900, was the same insistent question at the end of 1920, namely,

What is the matter with Canada? Why does it not increase in population? Why can it not even hold its own? Why are its younger folks drifting out of this rich land? Why is it bearing all the cost of clothing, feeding and educating its young people, only to see the big American Republic absorb the finished product, and, because of the general good character of this product, welcome it warmly?

Where was the Moses to shew this people the way to the promised conditions that would ensure population and prosperity, and the retention of this population? No leaders have been forthcoming. Politicians, the presumable leaders, seemed but time-servers, or parasitical partisans, or noisy gnats.

Meantime, to those that are left, comes the comforting message: "You are richer per head than any other land; you have more Bank Savings; you have more railway mileage per person of population; you have wonderful wealth, prairies prepared of nature for the plough, a mining surface scarcely scratched, fisheries inexhaustible, forests wellnigh illimitable, and the like."

We listen to such precious praters, till, presently, we learn that the country is mortgaged to the States to the tune of many millions, that the Canadian dollar is at par, and that it is there because of blanket mortgages in the way of Yankee Loans. These loud speakers should go on and tell the remaining people in Canada, that they were buying six hundred millions worth of goods from America, and selling only four hundred millions worth, per annum. The story could be concluded with a citation of the many industries in Eastern Canada, owned or controlled by Capital from U.S., and whose profits passed each year to the pockets of these private investors in another land; and of the forest and mining products in Canada everywhere possessed by pushing promoters of the same U.S.

Can anyone doubt that Canada is being exploited

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by aliens ? Why, there is even strong evidence that the Canadian is being threatened ! When certain patriotic citizens of this country openly advocated an embargo on pulp-wood, so that all such material might be manufactured in this country in which it grows, the American Paper and Pulp-wood Association imported a Senator from New Hampshire, to tell them that Congress would not be unready with coercion. This doughty disturber dared to remind Canadians of the many thousands of miles of Canadian Railway in the United States on which an embargo could be laid.

It begins to look as if the people of Canada were raw material for Americans to use as pulp—as if the latter have come to regard themselves as the potter and Canadians as the clay.

This imprudent legislator reminds this country that American capital has poured into Canada ; and apparently he would indicate that as Americans pay the piper, Canadians must dance to their tune. It might be as well, did we remind this contumelious candidate for popularity, that while we in Canada may be but a small population, we are not helots ; and that we do not propose to have our forests butchered, to make American pulp days or Metropolitan dailies.

To return from this distasteful diversion, it is enough to recall the already enumerated grievances, to convince the reader that this long catalogue does constitute ground for the query, What is wrong with Canada ?

Does the case thus submitted call for a diagnostician of superior qualifications ? Is it a deep-seated trouble, or only the language of a pessimistic poltroon ? Is all this but the effluence of angered ignorance, or a case calling for drastic dealing ? Is Canada's prosperity to be but a pipe dream, or a present reality ? Is this to be a land in which but a handful of people are to obtain and enjoy wealth, or a country where equality of opportunity, proper development of resources, and real

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increase of prosperous population, are to be no politician's pretentious puffing, but a living actuality, and that, in this generation ?

It is pathetic to hear the confession of a man who was young in 1900, and who, filled with enthusiasm for his Canada, was a red-hot Imperialist. And what is that confession ? Hear his words. "I have given up hope now of seeing Canada any more than what she is in population, in my time. I see a few richer, a few in great power, and spreading themselves in a commercial way ; but Canada as a promised land, that should be filled with a chosen overflow from Britain and with the best from Europe, has neither the power to attract nor yet to hold those that should be her settlers. She has been made a way-station. Millions of dollars have been spent in advertising and in propaganda to bring more people. Many have come, but many of these, and many more besides, have passed on to the United States, that is as a magnet to the native-born Canadian, as well as to the stranger within its gates."

With this foreword, the writer proposes to set forth a more detailed story of Canada's failure, so far as increase of inhabitants and retaining of native population are concerned. He will adduce evidence in the endeavour to support these strong statements—some facts about finance and banking institutions, about land policy, the manufacturing industry, the deficiency of government enterprise, about parish politics, the lack of vision, the fear to launch out into the deep, the parsimony, and the locking up of capital : these and such-like matters, he will hope to consider carefully and dispassionately in succeeding chapters.

NATIONHOOD.

CHAPTER II.

THIS Twentieth Century was to have been Canada's Century ; it was to have seen this Lion's Whelp rise out of tutelage to be master of his destiny, and take his place beside the best in a community of nations, inspired with the Imperial idea of Anglo-Saxon Brotherhood, and with enthusiasm for a future Federation of the great human family.

And what a disillusioned individual is the hopeful young Canadian student of history, who dreamed such a dream ! With less than three persons per square mile, there was a small chance of a national sentiment ; with fifty-four per cent. of the people of Anglo-Saxon origin, there was little inclination for a new ideal ; and with little or no diminution in the large debts of the Dominion, both provinces and cities, there was a strong disposition even to give up and depart from Canada altogether.

Population in goodly numbers is a necessary presupposition of nationhood, and with such an extended territory Canada must have greater numbers. According to the most recent calculation, Canada has 2.4 persons per square mile. Contrast this with some other lands. The United States has 34.9 per square mile ; Great Britain 385.9, Germany 332, and Belgium 666.

National sentiment cannot grow among a scattered people spread over such vast distances, for the sense of nationhood demands the many as well as the outstanding few, and for the consciousness of strength in a new strange land there must be numbers in this present day. Unless the "herd instinct" has free course, unless it has a full

content in which to exercise its complex, there can be no nationhood. One of the reasons why so many are crowding to cities in Canada is the urgency of this very "herd instinct." It is not good for man to be alone, and this is emphasised when he sees nothing but horizon. He can commune with nature, but he cannot live daily with the great silences.

More cases of melancholia, particularly among women, come from the wide expanses of prairie, than from all other parts of Canada combined. If community life could be combined with farming in the west—in a word, if the call of the herd could be answered—there would, in a short time, be very many more on the quarter sections of Saskatchewan and Alberta.

There is the second difficulty in respect of development of nationhood—the domination of no one stock. The population of Canada in 1921 (the last decimal census) was 8,788,483, made up of 4,869,090 or 54.48%, of British nationality, and 3,919,393 or 45.52%, of foreign nationality (the latest figures are for 1926, for which year the estimated population is 9,504,700); and unless there is a large influx of Anglo-Saxon Canadians, the future of Canada's nationhood lies with hierarchy and habitant. And if the reader asks why it should not be so, the writer answers that he is not debating this matter—he is simply stating a situation.

There can be no doubt of the favourable conditions for nationhood among French-Canadian habitants. There is a strong national spirit among these Canadians; indeed, a stronger one, it may be affirmed, than among any other single stock in the whole Dominion. And this very division of national spirit remains a problem worthy of discussion in connection with the future of Canada; and whether it portends a clash, or merely diversity in unity, only time can tell. The historian hopes for the best, and he must be content, it seems, to leave it at that. But the *New York Evening World*, in speaking

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of the late President Harding's visit to Vancouver, in July, 1924, remarked that the day must come when Canada will turn to the United States and ask to come in. The North-West is largely American now, continued this journal, and French Canada is a menace to English-speaking control in the East. Added to this is the fact—in the words of the late President—that \$2,500,000,000 was invested in Canada by the States, and that out of \$3,893,357,815 invested in Canadian manufacturing industry, no less than \$1,184,878,908 was owned by the United States and but \$310,259,814 by Great Britain.*

Is this American financial conquest of Canada a bogey or a menace? A quotation from one of Canada's leading financial organs is instructive in this relation.

“Those who read the British press might wonder if that country will ever again become a source of much investment money for Canada. The British papers are prone to talk much about British losses in Canadian investments, and little about the contributory negligence that helped to bring about those losses. But it was ever thus. John Bull complains and carps critically, but he admits his blunders, forgives and forgets the mistakes of others, and proceeds in the old groove. British capital will come to Canada as long as its flow is controlled, not by human impulses, but by economic laws.

*According to the Bankers' Trust of New York, the total investment in Canada by outside countries is \$5,250,000,000. Of this the United States holds \$2,500,000,000 and Great Britain 1,890,000,000. The United States owns one-third of the mines of Canada, and one-third of the Dominion, Municipal, and Provincial Bond issues. This same country has a thousand branch factories in Canada, and more than half of these have been placed in Canada since the Armistice; and according to most recent figures, the United States has a larger investment in Canada now than Canadians have. These facts and figures are collated chiefly from the Dominion Bureau Statistics for 1923.

“ It might be recalled that when Sir Hugh Allan was trying to raise capital for one of his railway schemes, that was later incorporated in the C.P.R., *The Economist* openly voiced its suspicion of Canadian railway investments, and *The Times* said :—‘ Let Sir Hugh Allan build his railroad by all means—but with Canadian money.’ Yet only a few years later there were 90,000 shares of C.P.R. stock sold in London, and numerous subsequent issues made.

“ Discussion on the question of American financial influence in Canada has been renewed by the appearance of a somewhat undiplomatic phrase in the American Government publication referred to. The publication said, ‘ Economically and socially, Canada may be considered as a northern extension of the United States.’ This calm acceptance of the position of senior partner in a North American economic relationship rather riles many Canadians, although it cannot be argued that the statement is misleading or exaggerated.

“ The American observer is to be excused if he takes the attitude that Canada is an economic off-shoot of his own country. When he comes on a business visit to Canada he will see United States dollars hard at work, paying wages to Canadian workmen, building up Canada—and also earning good dividends for Americans. The train that whisks him into Montreal or Winnipeg may ride over a line that finances its locomotive and car purchases with American money, and that has found in the New York Stock Exchange the big market for its stock. The taxi may be labelled Studebaker, Buick, Cadillac, or what not ; the name is familiar, and he knows that it was either built or assembled in a Canadian plant, owned largely or entirely in the United States. The hotel probably is a unit in a string that has its headquarters in New York. The room clerk hands him his fountain pen to write his name. The pen was made

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in a Canadian factory owned by an American company. He sleeps in a bed that was made in Canada, but in an American-owned branch factory.

“ He comes to the conclusion that for all economic purposes Canada and the United States are a unit. Certain it is that American capital and American initiative have done more for the upbuilding of Canada than the capital of any other nation.

“ The United States owns one-third of all the industries in Canada and one-third of the producing mines ; it owns a large part of the timber resources not vested in the Crown, and has extensive interests besides in Canadian water powers, real estate and other assets. Investors in the United States hold a third of all the bonds issued by Canadian provinces, a third of all debentures issued by Canadian municipalities, and are developing an increasing interest in the bonds of the Dominion Government.

“ All together these American investments in Canada total between \$2,400,000,000 and \$3,000,000,000. The figure is likely to continue to grow.

“ That is the situation. Is it a menace or is the ‘menace’ but a bogey? Just now Canadians are pretty well divided into two schools of thought on the subject.

“ Is the apparent conquest of Canada by American dollars and ideas a menace to Canada, or is it a natural and satisfying feature of our national development ?

“ This question is receiving considerable thought in Canada to-day, and newspapers, public men and others, are aligning themselves on either side of the fence in editorial and public expressions. Even luncheon clubs are hearing views on the subject, ‘United States dollars and their economic, social and even political influence in the Dominion.’ A speaker before a Maritime Rotary Club spoke a little while ago on the ‘American conquest of Canada.’ ‘Economically, politically,

socially, American control over us grows daily,' he said. He pointed out that American investments have grown five-fold in Canada in the last ten years. After elaborating on this trend, he expressed a definite fear that this economic leadership of the United States was becoming a menace to Canada. 'Unless a profound change be effected in the policies guiding the destiny of our country, Canada will be completely at the mercy of the United States in two decades at the most.' This was the speaker's conclusions. He was an avowed Imperialist, it might be said.

"There are to be found numerous folks who see no menace in heavy United States investments in this country—who see no possibility of this large investment ever having any important political significance. The view expressed by *The Detroit Free Press* is along this line. It said, in reference to the revelation that the United States now has a more important financial stake in Canada than Great Britain: 'There need be no feeling of jealousy or uneasiness over any special influence real or fancied, which the United States may seem to obtain in the Dominion because of its large financial interests there. America has no designs on Canada.' Similarly, an official of the United States Government publication, *Commerce Reports*, stated only a few weeks ago: 'The fear so often present in debtor countries that their creditors will strive to obtain political control is practically non-existent in Canada. It has never been necessary to call on diplomatic agencies to exert pressure for the sake of obtaining concessions or enforcing contracts. The investment of American capital in Canada, therefore, is probably the finest example in history of the benefits of foreign investment to both countries concerned, and has been entirely free from the unfortunate political and financial features that make "international banking" a term of reproach.' These are American views scoffing at the possibility of the

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United States becoming the political foster-mother of Canada, the next step in her development of interest in this country.

“ Nearer home we find *La Presse*, the French-Canadian daily of largest circulation, discussing what it considers the bogey of United States financial supremacy here. It says :—‘ Since the war, Canada has found within her own borders an increased proportion of capital that has enabled her to provide from her own domestic means the major portion of her financial needs. Is this the time, then, when we see Canadian capital set free in such a notable manner, that fears can reasonably be entertained of having to succumb to a supposed supremacy of United States capital? Moreover, the question of exchange will explain the difficulties that British capitalists have had to encounter in interesting themselves in our loan demands. The day that obstacle disappears will see British capital flowing this way once more to help consolidate our financial and economic independence. That will, indeed, be a good and sane imperialistic work.’ ”

The dilemma of debt is another barrier to nationhood. The population of Canada is now about 9,000,000, and her gross debt is about \$3,000,000,000 or over \$300 per capita. There are also the debts of each province and of each municipality. According to most recent statistics, the sum total of provincial debts is nearly \$840,000,000, and that on the basis of nine million as population, means about \$93 per capita. The Municipal debt must be added to this already large total.*

* The total per capita debt of Canada is thought to be in the neighbourhood of \$450. The figures for 1924, according to the latest report of the Citizens' Reserch Institute for Canada are as follows :—

Dominion Debt	...	...	...	\$2,512,000,000
Provincial Debt	...	...	...	674,000,000
Municipal and other Local Debt	...			1,050,000,000
				<hr/>
				\$4,236,000,000

In a recent debate in the House of Commons at Ottawa, one member gave the debt per capita in Canada, including Federal, Provincial and Municipal, as \$442.46. In the United States he said it was \$268.57 per capita.

The same speaker said Britain had a per capita debt of \$922.48 ; Australia of \$820.58. One wonders from where the honorable gentleman got his figures. Those concerning the United States in the text, are, as already stated, from the latest statistical report sent the author some months ago from the Bureau in Washington.

The tax per capita in Canada was also given in the same debate, including federal, provincial, municipal and school taxes, the tax per capita in Canada was said to be \$63.51 against \$68.49 in the United States, \$99.36 in the United Kingdom, and \$69.22 in Australia.

It must be remembered, however, that both in Britain and the United States a large amount of this per capita tax is being used to pay off the debt of these countries. In Canada the debt is being very slightly reduced. Another fact that is disquieting, is the incidence of Canada's income tax as compared with that of the United States. On an income of \$3000 the difference is \$32.50 ; on \$4000 it is \$67.50 ; on \$5000, \$88.50 ; and on \$10,000 it is \$412.50. How can Canada expect to stand up in competition for population and capital under such an excessive handicap ?

The latest changes in Federal income tax in Canada show some reduction. Thus, the amount exempt from such tax has been raised from \$2,000 to \$3,000 for a

The figures for 1925 were : —

Dominion Debt	...	...	...	\$2,417,437,686
Provincial Debt	...	...	...	857,257,360
Municipal and other Local Debt	956,991,881
				\$4,231,686,927

The Dominion debt for 1926 was \$2,389,731,099.

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married man. The exemption for a single man(\$1,500) remains the same.

The rate is also lowered from 4% to 2% on the first \$1,000 over the amount exempted, and to 1% for each additional \$1,000 of income. There is also a 10% discount on total income tax.

Corporations pay 9% on income, less 10% discount.

The Federal taxes in the United States have been largely reduced in the last two years, thanks to large surpluses in revenue.

It is interesting and instructive to compare the debts of the United States with those of Canada. The total federal net debt of the United States up to June 30, 1923, is \$22,155,886,000 or \$283.77 per capita. The net debt of the 48 States in 1922, was \$879,075,619 or \$8.12 per capita.

The gross debt for 1922 in the United States—that is, the total gross debt of the National Government, of States, of cities, and of all other civil divisions having power to incur debt—was \$32,786,922, 000 or an average per capita of \$301.56.*

Such colossal figures in the case of Canada are sufficiently staggering. They do not call for the “whisper of death,” but they do demand, and even compel, the most serious attention.

When the United States is steadily paying off her debts and Great Britain is doing the same, it certainly calls for action on the part of the people of this Dominion. If posterity has to care for all this burden, and if the present generation of politicians is to continue large expenditures with no serious attempt at liquidation of debts, there can be no doubt that the average inhabitant will seek to get away from them, and he will do so by

* These figures are from the U.S. Bureau of Statistics (1924).

The total Federal debt of the United States on November 30th, 1926, was \$19,137,364,639.

folding his tent and stealing away into the nearest haven, to wit, the United States. Unfortunately he has been doing so at rather an alarming rate. In 1922-23, 104,844 persons (31,967 more than the total immigration during the same period) left this country for the Great Republic ; and that did not include those who departed to the States west of the Dakotas.* Such a condition has but to continue, to suggest the possibility of ultimate nothingness so far as separate nationhood is concerned.

A leading daily newspaper in Far Western Canada declares editorially that Canada needs nationality, and that Canadian nationality can only be built around Canadian symbols—"A progressive Canadianism can only be built around exclusively Canadian traditions." Another daily journal of the Middle West absolutely agrees with this statement, but it supplements it with this significant comment: "After the war, wherein Canada did herself so proud, we heard much of a new national spirit in Canada. We have seen manifestations of this spirit in the repeated assertions that Canada is a free and sovereign country, which is entitled to be so regarded at Geneva and Washington. Where are the practical manifestations of it? Ask the several hundred thousand Canadians who have gone across the border to make a few more dollars in the United States than they could make in their own country. We can never boast of a nationality or a national spirit, in this country, until we have something that is stronger than the lure of lucre ; something that will make Canadians stay at home and develop Canada, albeit they can secure higher wages south of the line. We haven't that yet."

* These figures are taken from the Canadian Annual Review, 1923, which, in turn, are from the U.S. Fiscal Year Reports.

The total immigration into Canada for the years 1923-24-25 was as follows : — 1923, 73,000 ; 1924, 149,000 ; 1925, 111,000 ; and the emigration to the United States for the same period, as follows : — 1923, 117,000 ; 1924, 201,000 ; 1925, 101,000.

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Here there is plainly much room for a wise policy of Education and Government activity. The younger people of this fair land must be fired with the same passionate enthusiasm for their country, which fired the founders of Confederation and of the Republics of France and the United States.

In many public utterances in these Provinces, the chief note is the demand for a truly nation-spirit. This can be inculcated by teachers, but these must themselves be intensely loyal, with a consciousness of lofty Canadianism, and with a realisation of the dignity and worth of Canadian citizenship and imperial relationship. If teachers in the schools of the various Provinces could infuse the same content for pupils in *Civis sum Canadensis*, that belonged to the Roman youth when he was permitted proudly to pronounce the *Civis sum Romanus*, then it would not be long before Nationhood and British Empirehood were the heritage of every child in Canada's Confederation. But there is also the part of the Government. The lure of lucre undoubtedly plays its part in attracting youth from their northern homes, but the fact remains, that till our Governments function as they should, and solve the question of linking employment with development of resources, the disappearance of young manhood will continue. Man does not live by bread alone, but bread at least he must have ; and thus far Governments have not solved the question of providing the ways and means through which the natural increase of population in Canada can be properly maintained. The problem remains one of Education and Government.

THE SWORD OF DAMOCLES.

CHAPTER III.

It sounds like strong language to write of a sword hanging over this young land, but there is some evidence of it. A country that has not proved to be the home and haven for the adventurous spirit of youth, and for those desiring to begin life afresh, that it promised to be, stands arraigned, and must show cause why it has not fulfilled its part. Blessed with wide areas and wonderful potential wealth, it has had no handicaps. There are none of the racial hatreds, so characteristic of the States of Europe; nor has Canada had civil wars, military tyranny, and misgovernment of the order that cursed the Old World. Misgovernment, and much of it, there may have been in this new land, but certainly not of the old order of a bygone Europe. Canada has not suffered from privileged classes—a monarchy and an aristocracy living luxuriously at the expense of humble toilers; and there have been no age-long abuses of power, no exploitation of the proletariat, no tremendous struggle for bare subsistence. Corruption of officials, the reaction of bureaucracy, political and economic injustice, have not weighed on this country. Equality of opportunity has some meaning in this Dominion, while it has been but a dream, up to the present time, throughout Europe, not excepting the British Isles, the renowned birthplace and home of Democracy.

And yet serious conditions face the average individual and his heritage here under present conditions. There is the pioneer legacy of thrift and heroism, and the demand of unrivalled opportunity, but no proper morale. Instead of going forth to subdue the earth that in all its virgin state stood waiting to be wooed and won, as did the first settlers, the present-day Canadian has in too many instances suffered the sensuous attractions

of the town to enthrall him.* Failing to appreciate the damning effect of urban life on the people in the Old World, he does not hasten into the open spaces ; he does not listen to the call of " the freshness, the freedom, the farness," but takes up his abode in cities, the scene of the hurry and drive of merciless mercantile competition, of limitless multiplying of luxuries, and of gross material pursuits—the places where political plots are made, where graft is devised, where vice and immorality have their haunts and hells. This is not to say, or even to hint, that cities are but cancers of civilisation. We may agree with Ruskin in condemning them as they have been allowed to grow. It is needful, nevertheless, to recognise that cities are facts, and necessary facts of this present industrial age. To make cities what they should be, and promote the placing of the people more and more on the land, are the lessons to be learned from what is to be seen in Canada to-day. At present Canada has but forty per cent. of her population on the land, and amongst these there is not the proper proportion of Anglo-Saxon stock to be the leaders and the leaven. It was the pagan peasantry that gave the strength and power to the Italy that surrounded Rome ; it was the sturdy yeomanry of Britain that made her armies invincible in the hundred years war.

Rousseau's dictum, " Cities are the graves of the human species," is still echoed in the western expression, " The country makes a man and the city damns him." It is in the cities, too, that we hear the saying, " From shirt sleeves to shirt sleeves in three generations." It was London that was compared to a mighty maelstrom on the outer edge of which 600,000 annually took their places, and in whose vortex over 300,000 were swallowed up each year. A people tends to become immoral, or at least non-moral, in crowded centres. And in

* Is this because the herd instinct is more pronounced to-day ?

Canada where so much was expected, where the pioneers carved out their homes in the forests, and felt the joy of battle with the primal forces of nature, where every prospect should have pleased—there the man of this generation crowds to the centres, and too often saps his virility and passes on to be but vile. Witness the recent revelations in a local government, the shady relations with financiers, and the disgrace of the criminal condemnation of these prominent citizens. What a source of cynicism for a rising generation!

The investigations concerning the connection of police and members of the aldermanic board in our largest city, with protection afforded to centres of vice, are other examples of the weakening of standards—and sorry ones, too, for the man in the street, and for the boys and girls in our High Schools and Universities. Such happenings surely—constitute a sword of Damocles in themselves, for they threaten the very life-blood of the virtues of our country.

The causes of such declension among men in high places are more than examples of individual demoralisation; and unless there was an atmosphere of laxity, such delinquency would be inexplicable. To understand this deplorable deterioration, it is needful to note the change in the attitude towards religion. This change is due, in fact, to the distracting dislocation following the war, and the fluctuation in the media of morality and religion—the home and the Church.

From the coming of the city and its rapid growth, with its many business concerns highly organised, there has resulted a reflex action on churches. The spirit of the organiser first entered into its councils; then the highly developed institution, with priests and presbyters as financial experts, followed; and through this tendency to make the church a successful institution, there resulted a legalised and bureaucratic Christianity. Fine buildings, institutional additions, beautiful cere-

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monies, ambitious churchmen, big funds, spelt a new situation, and one utterly alien to the conditions of pioneers. This new development achieved success in the Empire of Things—in all the outward and material side of religion, but it spelt decline in the realm of the Spirit. The dynamic force that only comes from this realm of the Spirit, always declines under the might and power of man-made institutionalism. Mankind is constantly forgetting that it is “not by might, nor by power, but by My Spirit,” and that, “lest any man should boast.” Man seeks safety, solidity and stability in his Church and its finances, just as he does in his business corporations. It does not follow, however, that the methods which are highly successful in the world of the Material will be so in the world of the Spiritual. Indeed there is much to lead to the conclusion that they do not belong together at all. In one the emphasis is on divine dependence, in the other on human achievement. “Nothing fails like success in the religious world !”

The church and religion of the pioneers have been dragged down into the market-place to be thoroughly re-organised and brought up-to-date, and in following such a course the people of this generation have departed from the high ideals and self-realising activity of their forefathers—in which respect, as in so many others, history seems to be ever repeating itself. The first stage of any change in development is characterised by passionate love and enthusiasm, being idealistic and untinged by any regard for self ; the second is coloured by the critical and constructive ; the third by the desire for safety of self. Professor Butcher, the noted British classical scholar, says : “Greece first took up the task of equipping man with all that fits him for civil life, and promotes his secular well-being ; of unfolding and expanding every inborn faculty and energy, mental and bodily ; of striving restlessly after the perfection of the whole, and finding in this effort after an unattainable

ideal, that by which man becomes like to the gods." And after pointing out that Aristotle said the aim of life was to live happily and beautifully, and that Christianity added love and sympathy, a modern historian concludes in this wise: "The ideal now formulated for our daily life and our educational process, apart from the one great element added to civilisation through the Christian religion, is but slightly more advanced than the Greek. Of the Greek list, political freedom, intellectual freedom and attainment, moral freedom and life, æsthetic appreciation and power of accomplishment, we of the present day have made but one great change—that of substituting *material achievement* for the æsthetic expression of personality; and this is a change that is neither an unmitigated blessing nor an unqualified advance. It has in fact but precipitated the greatest economic problem of the day—the relation of Capital and Labour?"

If our younger generation cannot be brought to understand and receive this Graeco-Christian ideal as the proper inspiration for, and interpretation of, practical activity, there can be truly but a poor outlook for Canada and a bad half hour in store for the so-called advancement of its civilisation. But we sorrow not, as pusillanimous pessimists, without hope. Industrial enterprises, machinery, and the whole realm of the mechanical and materialistic, need not constitute a Frankenstein's Monster even in great cities.

There is a soil for the cultivation of ideals, of spiritual work, of final values. It is in the souls of youth, and the way is through the prevailing power of a properly presented education—an education that will afford him the atmosphere where he can direct the divine urge within him, and attain to that freedom of harmonious activity for which he was called into being.

The youth of Europe to-day are out of sympathy with their elders, with the older generation and with the

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church. They have an immense desire for independence, writes an acute observer, and a large enthusiasm for a great and noble cause. They may not be won back for Church life, but their hero-worship, so deathless in youth, is capable of a new surrender to the person of Him Who has ever commanded the respect and reverence of the true-hearted and the hero-worshipper.

At present the primitive fervour of faith has faded, and whenever and wherever that happens, a commonplace ambition for temporal aggrandisement arises. It may fairly be asked, to what extent do these observations apply to Canada's youth. Well, there would seem to be ground for belief that here, too, there is drifting ; that a new appeal is needful to grip the spirit of hero-worship, and that Christianity and the church must meet a new situation by a new spirit and a new dynamic.

One wonders if a new United Church means a fresh start, and a splendid crusading endeavour towards a rebirth of the fervour of faith to counteract this attitude and ambition of temporal aggrandisement.

CITIZENSHIP.

CHAPTER IV.

IN previous pages reference has been made to the lack of the sense of public service. The people of this land are so engrossed in their own affairs, in the making a living, or in the acquisition of wealth and the increase of personal power, that they are curiously apathetic in respect to matters of common interest. Politics and politicians, whether they be Federal, Provincial or Municipal, have become bywords. The man that seeks to become a mayor or alderman is thought to have aspirations of a purely selfish nature, and his fellows speculate as to his personal ambitions, his self-aggrandisement, his self-glorification.

To imagine that he is disinterested, that he seeks the welfare of his fellows, that he is out to serve, is fantastic ; such notions are not in the thoughts of these who seek the suffrages of their fellows. In consequence there is a singular dearth of men of truly public spirit, men of education and practical ability, ready to play the part of citizens in the true sense of that splendid term. How has this come about ? The day was in the history of Canada, that service in public life was a great career, and attracted the young men of promise and ability. The fathers of confederation were men of vision, and when the day of trial came, they forgot their partisanship, laid aside their political differences, and followed the example of ancient Rome—"Then none was for a party—Then all were for the State."

It may be true that in the early years of Canada's history the political career was the readiest road to fame and recognition ; it may be that as time went on, young men saw larger fields in the professions and

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particularly in commercial life ; and it may be that too many of the wrong kind found their way into the halls of legislation : in any case there can be no doubt that there is a dearth of large-minded *citizens* in the Parliaments of the present day.

Here again there has been a lamentable failure to note the trend of the times ; and too late the country has awakened to find that statesmanship is an evolved quality, not a purchased or purchasable perquisite. If there had been a proper guidance of rising youth ; if these scions had been trained to know and understand that no one liveth unto himself, or for himself ; if, in a word, they had been directed so as to find no higher purpose than that of determining for themselves the things in public and private life that are best worth living for, the things that are of value for each and all, this scoffing and sceptical attitude towards citizenship would not have taken such deep root. These may be the mistakes of the childhood of Canada, as they were of the United States, but it will not suffice to simply diagnose the case. If this land cannot discover how to profit by its past blunders, the prospect is indeed dark.

The person must be free—that is fundamental ; but free personality can only realise itself through social institutions, and the individual who ignores his place and play in society, does so at his peril. A steamer does not go to sea simply for the purpose of burning coal ; nor does man live in social surroundings, merely to seek his own. Pericles, of old, summed up the ideals of Athenian citizenship in these words :—“ We alone regard a man who takes no interest in *public affairs*, not as a harmless, but as a useless character ; and if few of us are originators, we are all sound judges of policy.”—Can this be said of Canadians ?—“ The great impediment to action is not discussion, but the want of the knowledge which is ”—*or should be*, may we add ?—“ gained by discussion preparatory to action. For we have a peculiar power

of thinking before we act, and of acting too, whereas other men are courageous from ignorance and hesitate upon reflection ; and they are surely to be esteemed the bravest spirits, who, having the clearest sense both of the pains and pleasures of life, do not on that account shrink from danger"—or *duty*, we add again.

The contiguity of an older republic with similar democratic institutions, and the close colonial connection with a Motherland, may have hindered that civic and national self-realisation under ethical principles which should have evolved through conscious rational processes in life and conduct. At the least, it cannot be doubted that a great influence has been exercised on this young country by the overshadowing presence of a borderland whose language, law, liberty and licence have set an example that could not be consciously, much less subconsciously, ignored.

Prolonged association with a brother, and a big brother, or an uncle, cannot but affect the development of a younger member of the family : the son or daughter might have done better on his or her own : and what is true of development of personality in the individual, is equally true of the unfolding of the consciousness of nationhood in a people. Unquestionably, the close relations with the United States and the land of the fathers have retarded the rising of the national spirit in Canada. Subject to such atmosphere, it is not difficult to understand that a young country might naturally hesitate to display the hardihood requisite to make its debut on its own account, on the world stage.

But apart from citizenship in the largest sense, Canada and Canadians have apparently failed to play the part at home. It is a sad reflection on internal management to find the countries, cities, towns, provinces, and the Dominion at large, stumbling along under large debts—and this was true before the cataclysm of 1914. The late Andrew Carnegie, in a book

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upon democracy, hurled a cruel jibe at Canada. He compared the single States with the Canadian provinces, and the cities of similar size in both lands, only to find that, per head of population, Canada was living on borrowed capital in a much more pronounced degree than the Republic. Sam Slick, the Yankee clockmaker, complained, many years ago, that Eastern Canadians were too fond of sitting round the corner grocery, discussing politics, and wearing out the seats of their breeches, while waiting for the Government to do something for them, instead of shaking off their lethargy and going out to do for themselves.

This country has been too unready to tax its local municipality for its own improvements, and too eager to put off the evil day by applying to the local or Federal authorities for aid. Like a child, it has failed to recognise that what is borrowed has to be paid back ; and to-day we find Provinces driven to impose direct income taxes, to meet expenditures that should have been cared for at the time, instead of being indefinitely deferred.

To be honest with ourselves we must wake up to the situation. There is something wrong in our conception, or want of conception, of citizenship. Outsiders, and especially those with large capital to invest, who are considering what country seems most attractive as a place of settlement, will not be vastly impressed by talk of illimitable resources, if they learn, on study and investigation, that such a land, though only with a population of little more than two persons to the square mile, is already burdened with heavy debts and increasing taxation. A man does not require to be an expert in finance or fiscal policy, to know that such conditions indicate poor housekeeping and a distressing disregard of the meaning of the duties of enlightened citizenship.

Again, the thinker is driven to the conclusion that education has not measured up the requirements of the situation. Unless the youth of such a land have

inculcated in them the truth in these matters, and unless they grow up to grapple with conditions, and are prepared, as citizens with proper detachment and a clear sense of disinterestedness, to undertake radical reform, Canada cannot grow ; nor will it deserve to increase in wealth and attractiveness.

It is by intensive inculcation of the relation and reaction of the individual to his environment, of his place as a person and as a member of society, that a successful solution can be found. In the education of the people, and particularly of the youth, the proper atmosphere can be created ; and if this is followed by an interlocking of education and government, a marvellous development can be effected. Proof of this is to be found in the countries of this modern world, which have insisted on being governed by highly trained and educated members of Parliament who not only are experts, but who are at once national and patriotic.

DIFFICULTIES AND DANGERS.

CHAPTER V.

IN former chapters the possibility of a larger autonomy has been hinted at in various connections. It may be helpful, and for those not of Canada nor conversant with it, informative, to give some slight account of the position Canada occupies in the commonwealth of countries that make up the British Empire.

In the course of his travels in Western Canada, in connection with the study of ways and means toward a larger immigration and colonisation, the writer learned that the newcomer to Canada, whether from the States, Great Britain, or the nations of Europe, displayed an ignorance of Canada's status that was altogether amazing; and during a residence in Europe over a period of years, before the war, he found a general and widespread belief, that amounted to an assured conviction, that Canada was a mere dependency, as the colonies of France and Germany were dependencies. The average European simply refused to believe that Canada was not taxed and exploited for the benefit of the British Isles; and the average American was in similar case; and when immigration was proposed to such individuals, they retorted sharply that they had left all this Government by the classes and for them, behind, or that they desired to do so. Many Americans, when approached concerning Canada, remarked on the British connection. To be under the Union Jack spelt for them, being under conditions their forbears had rejected; and as to the German-American, or the naturalised American from any of the Continental lands, this Union Jack meant the place and position, the grinding taxation and the landed aristocracy, that

they knew their fathers before them to have suffered under in Europe. Such ignorance and prejudice are very difficult to overcome.

It is necessary, therefore, to explain the exact position Canada occupies at this present day. Though Canada received her Constitution, the British North-America Act, at the hands of the British Parliament, and though any changes in this written document must be made through application to that august body, yet the new-comer to Canada should distinctly understand that the Imperial Parliament, sitting in London, would on no account refuse any changes desired by the majority of the people of this, her greatest dependency. Indeed, it is, perhaps, not too much to say that, if the population of this northern half of the American continent were decidedly in favour of separation from the British Empire, no obstacle would be placed by the British Parliament in the way of the friendly accomplishment of such a policy.

To-day, in this country, the people, through their Parliamentary representatives, have all the power possessed by any self-governing country. The connection with the British Isles is one of sentiment. In all her foreign, as well as her home affairs, Canada is free to carry on as it pleases her Parliament.

Yet, despite these facts and all the publicity given them, the British connection is, for immigrants from the United States, as well as for those from Europe, positively a bogey. For such incoming people to see the Union Jack, is for them to assume that Canada must be dependent; that she must contribute to the Army and Navy; that taxes or contributions have to be made to the Imperial Treasury; and that the course of her legislation, in all its ramifications, must require confirmation at the hands of the Parliament sitting at Westminster. Every Canadian knows this to be untrue. Yet it is heard so often, that the student

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is driven to believe that there is a designed effort to prejudice any who may be contemplating settlement within Canada's borders ; and it is manifestly the business of the Immigration Authorities, be they Federal or connected with private corporations, to spread the news of Canada's complete autonomy, and to spread it as widely, and as simultaneously, as the propaganda for settlers.

If Canada cannot be a nation with all the meaning of that term, and if this is not possible within the Commonwealth (British), then the painter must be cut. But it is well-known that she can exercise her principles of policy, both at home and abroad, in the fullest and freest fashion ; and that she can enunciate her tariff, her statutes, and direct her affairs—educational, political, social and religious—without let or hindrance. There is no question of domination by or dependence upon any other land or people. She is a daughter in her mother's house, but, emphatically, mistress in her own.

The only danger, if so it may be deemed, is the dominance of the great United States Republic, and that, by means of peaceful penetration through capital, association, interchange of ideas, consanguinity, and contiguity. On the other hand, there is a distinct conflict of ideals in the two countries, for on the one side there is a feverish hustle and hunt for material progress and prosperity—the pursuit of the Almighty Dollar—and on the other side, the consciousness that more of value in the life and conduct of a country will be attained by sustained effort. In the one case there is to be seen a people with a deep and abiding faith in the home and home life—and so this people are home makers ; and in the other, a people who, often mere exploiters, are ever ready to make a financial turn—to sell the roof-tree to the highest bidder, and move the family on to new pastures.

A people sprung from the same stock, with similar language, schools, and democratic institutions, and doing a very large business with Canada, is bound to exercise an influence. Thus far it has resulted in detachment on the part of Canadians. They are so close to the Republic that they are keenly alive to what they consider the vices as well as the virtues of that country; and the fact that the laws, probably quite as good on the one side as on the other, have not been carried out as well on American soil as they have been to the North of the 49th parallel, has led to a curious sense of superiority on the part of Canucks. They consider their civilisation is on a higher plane, that their ethical and religious ideals are finer, and that their sense of moral values is more definite; and they think they see all this proved in the differences in home life and training, in the comparison of crime, in the regard for human life, and in the matter of accidents. An average Canadian has much more hostility to the idea of closer relations with a U.S. American, than a Briton or a Frenchman. Annexation might be considered as a result of great economic distress or pressure: it is very unlikely to be considered on any sentimental grounds.

There are conditions, however, that call for attention and action, if our Canada is to be saved from the possibilities of pacific penetration under the veil of Pan-Americanism.

There is, first, the fact of two races—French and English; and, secondly, there are the parochial politics for personal plunder and prestige.

Next, might be placed the antagonism of east and west—a joy to the Yankee onlooker.

By the logic of geography, the citizen south of the boundary expects to see Canadians driven to trade north and south, not east and west. Commercially this constitutes a strong position. Economically Western Canada's destiny seems inevitably and irre-

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vocably bound up with the States. It will be decided in a struggle between ideals and industrial profits.

It cannot be denied that the Pan-Americanism spoken of above is more than the dream of some Utopians. There are not a few practical politicians within the purlieus of Washington, who think much more in this direction than they say. They may consider it impolitic or undiplomatic to give tongue to their hopes, but these are not atrophied nor dead—they are only sleeping.

The Canadian will not sell out ; his country and its history are not likely to be on the auction block—for the highest or any bidder. He may be driven to consider political connection because of internal conditions—social, religious or economic ; but meanwhile he is persuaded that Annexation spells “ Annihilation ”—the total submergence of what is characteristic of the genius of the founders of Canada. He is quite alive to the meaning of the influx of American population and capital ; he knows that the resources are in his country, but faintly developed ; and he comprehends the choice that is before him—a birthright versus a very pronounced and prodigious mess of pottage ; but he also understands that the latter is pottage, and not patriotism. It depends, in the final issue, on the attitude of those who follow him. If the future Canadian becomes pre-eminently prodigal and materialistic, then admiration for British ideals and his forefathers’ principles will pass, and annexation will be a natural conclusion and a logical result.

The French-Canadian question is remote for the average present-day individual. The meaning of Hierarchy and Habitant, and the possibility of a coming clash through the power of the ballot, are not sensed in any pronounced way at present. Yet the presence of a stock with different language, different schools, different laws, and different religion, is not to be ignored. It is the hope of the tolerant British-Canadian that the

presence of both may contribute to a richer language and literature, and to a national content finer, richer and fuller. Yet the course of history is not encouraging in this respect. The Dutch and the English have been long together in South Africa, and they have more, much more, in common than have French-Canadians and British-Canadians; yet the antagonism there is as strong as, if not stronger than it was a generation ago, though in a more hidden and deep-seated fashion. And the north and south of Ireland, and Poland and Germany, are additional examples. There is nothing so deep as Race, except Religion, and in this case it is Race and Religion versus Race and Religion.

The story of the "Tragedy of Quebec," as set forth by a British-Canadian, who was, nevertheless, a life-long supporter of the late Sir Wilfred Laurier, is not pleasant reading. Over against it, however, should be set the possible future unity in diversity, as set forth in a more recent book—"The Clash."*

A prominent politician of long standing, and, for many years now, a member of one of the Houses at Ottawa, told the writer in the course of confidential conversation, that more often than not, one can hear the subject of Annexation discussed in the Canadian capital by leading men in the political and commercial world, and that the cause of such conversation is the conviction that there seems no other way of solving the problem of French-Canada versus the rest. If there were signs of union by intermarriage, and of a gradual absorption, one way or the other, there might be no reason for further concern; but as a resident in the Eastern Townships during the Boer War and again during the Great War, I gathered enough testimony to shew that there is a cleavage that goes to the very depths of

* Every Canadian should read these books, to get the truth of the situation.

difference in what the scientific historian calls the nature of nationality—the inherent incompatibility of race that reveals itself in its own genius, as expressed in religion and ratiocination, in interpretation of experience, and in reaction to experience.

These two races can live side by side as different peoples, but they do not seem to have been able, either in past or present time, to work out a destiny on lines of unity in diversity. It remains for some greater spirit than has yet appeared, not merely to outline the *via media*, but also to produce the necessary compatibility, in virtue of which each will journey on the *via media*, and that in a peace and harmony at least as great as that which characterises people of the same blood.

Another serious problem is that placed under the second head above—the condition of political life in Canada. It is worse than useless to employ the *argumentum ad hominem*, the *et tu etiam*, in this relation. Of what aid is it to say that Canada is no worse than the United States or Great Britain—that she is but passing through the phases that characterised older lands, and in particular, and to a greater degree, the United States? Why did she not profit by these sorry examples? why must she go through the mire, after reading that her fathers did, or that her fellow-beings of other lands did? Had there been the proper interest in public affairs, had there been keen watching, and had the people picked their candidates, instead of accepting machine nominees, this much deplored and derided condition could not have eventuated. To hear a professor in one of the leading Universities of Canada, make the confession that, when any visitor mentions Canadian politics and public life, “I keep silence: have nothing to say, for I can say nothing,” is humiliating in a young and virile land.

One is reminded of Shakespeare’s words in the *Merchant of Venice* :—

O, that estates, degrees and offices,
Were not derived corruptly ! and that clear honour
Were purchas'd by the merit of the wearer !
How many then should cover, that stand bare ?
How many be commanded, that command ?
How much low peasantry would then be glean'd
From the true seed of honour ; and how much honour
Pick'd from the chaff and ruin of the times,
To be new varnished ?

CANADA'S ECONOMIC ROLE.

CHAPTER VI.

IN the light of what is being written and spoken about the resources of Canada, this question naturally suggests itself : Has Canada any distinct and definite contribution to make, or role to play ?

With such a stretch of fertile prairie all ready for the plough, and capable of producing the highest grade of hard wheat, it would appear that this Great North Land was purposed to be for the Mother Country, what Egypt of old time was for Rome, namely, her granary.

The wheat belt in the Canadian West was long thought to be comparatively limited, being confined to a narrow strip along the Northern border of the United States. But agricultural chemistry and experimental farms have shewn, by valuable tests, that the limit of the reach of the wheat line is quite indeterminate.

Some of the latest experiments have resulted in the engendering of a wheat that is not only a heavy producer, but what is far more signal, a grain with a remarkable resistance to frost. This forecasts an inexpressible possibility in the wheat belt, and a greatly extended agricultural area ; and what was regarded as waste land, because of late spring and early autumn frosts, will, by virtue of continued research, probably be brought under the plough in the not distant future.

There is, indeed, no doubt about the vast productivity of field and forest ; but the economic problem, the question of markets, and the world wheat supply, present much subject-matter for consideration. Heretofore the United States has been the largest exporter of wheat and a keen competitor in world markets, but the rapid additions to her population through immigration

and natural increment, have made it evident that the time is imminent when she herself will have no grain for export ; indeed, within a generation she probably will be a grain-importing people.

The steady natural increase of the world's population, together with its augmentation through advances in medicine and hygiene, the conquest of disease, the effect of extended sanitation, and the benefits of corrections in diet, promise an ever enlarging consumption of cereals. Another factor is the recent marked disposition of the races of the Orient to vary the rice regimen with wheat-flour and similar foods. There is no fear, on the other hand, that Canada's population will press her borders for very many years—at present the numbers mean no more than a fraction over two persons to each square mile of arable land ; and in all these circumstances, it is natural to conclude that, when European conditions have become normal, there will be every inducement to grow wheat and other staple cereals, while the improvement in the cereal grown, and the increased number of bushels per acre that can be produced, consequent on the research of science, will furnish still further encouragement to the settlers on the prairie quarter-sections.

Yet, with all these prospects of growth and gain, there will not necessarily ensue the progress and prosperity anticipated. It is not enough to supply the incentive to induce people to launch forth upon these wide spaces ; there is the further consideration—and it has proved a perplexing problem—how to hold the people there. Unless there is a careful and consistent regard for the difficulties attending early settlement, and unless there is the creation of conditions that make for a contented countryside, there is no prospect in the present day of retaining people on the land. The men in public affairs must have the vision, the knowledge,

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and the disinterested determination, to deal with the grievances and meet the exigencies.

The best immigrant for Western Canada is the educated farmer, who can use the latest and most modern machinery in agriculture. The country must be made attractive to such men and their families, and this cannot be done unless helpful policies are carried into effect, and sectional interests and jealousies removed. The thoughtful citizen, eager for the prosperous development of this portion of the Empire, and impatient at the delay, wonders sometimes, if it is the crass ignorance of the average M.P., or pure partisanship, which hides from his purblind vision the way in which other lands have successfully adjusted the differences that threatened to throw the industrial workers of the cities and their employers into one camp, and the agriculturists and their shopkeepers of the country towns into another. He asked himself, as he read some futile debate, do not these representatives read or study? Have they not learned, even by hearsay, for these things have not been done in a corner, or behind a door, how countries in Europe have worked out co-operation?* As far back as the early years of this century, plans had been worked out and put into practice, whereby cheap money was supplied to the farmers of more than one country in Europe, and co-operative societies for the purchase and joint ownership of agricultural implements, and high-bred stock, etc. had been formed, and successfully carried on. Since this has been written, the author has read of proposed legislation for a large measure of rural credit, following a co-operative plan outlined by Dr. Tory of Alberta University. Some time ago he was deputed to study this question in the light of what has been accomplished in other lands, notably Germany,

* This has been done in Thuringia, Saxony, Prussia, and Finland.

and his report is now in the hands of the Federal Government, and legislation is promised for the session of 1926.*

To do these things, and to educate the people in general as to the kind of fiscal policy which will work out the greatest prosperity to the greatest number, is the true and proper business of a paternal government.

It is pitiable to find no rapid progress in this respect, in a country where there was neither the age-long prejudices nor the primitive condition of an ignorant and unenlightened peasantry so often to be found in

* Agriculture is the basic industry of Canada, and every industry in the country is prosperous or depressed in direct proportion to the spending power of the agricultural population. It is, then, the height of folly for the manufacturers or any other group to sponsor any policies which will have the effect of reducing the purchasing power of the farmers.

In this connection, Premier Bracken has recently suggested to the Canadian Chamber of Commerce that Industry and Agriculture in Canada should get together and make an attempt to understand each other's problems; and he urged that the hatchets so long in evidence at gatherings of the opposing forces be buried, and that the two get together and pull together, not in the interests of this or that class or industry, but in the interests of Canada as a whole. The plan seems to have touched the imagination of the men he was addressing, and Mr. W. M. Birks, executive chairman of the chamber, has promised his support, and has practically pledged the chamber to join with agriculture in an effort to solve some of Canada's great problems.

Mr. Bracken suggested the creation of an impartial, unbiased board to study the tariff, and urged that this board be made up of men from the economic faculties of the various Canadian universities. This plan, too, seems to have met with favour among the members of the Chamber of Commerce, and it will possibly be adopted. A scientific study of the tariff, as distinct from a political study, is something greatly to be desired in Canada. The Tariff Board appointed by the Dominion Government is at present engaged in such work, and has already amassed an enormous amount of information. There is no doubt, though, that a board of scientists could do a great deal to clarify a situation which, without the aid of scientific analysis, might become complicated and clouded.

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older lands. In impotent exasperation, there are those who feel like crying out for some new form of wise and benevolent authority to decide the absolute interests of Canada's great expansive areas, apart from aught that is petty, personal, and partisan.

It savours of the anachronistic to find Canada wading through the struggles of a progressive movement and the clash of industrial interests in east versus west. When these situations developed, where were the leaders and the legislators? Or were they content to continue to function as purely professional politicians? Could they not profit by the experience of those in other parts of the world? Did they not know that while they, and others like them, were wasting time, money and opportunity, these other peoples, under shrewd government experts, had initiated and worked out most beneficial joint action in respect of agriculture, manufacture and transportation. They educated the parliamentary experts; they prepared the people—notably the youth of the country—by propaganda and education; and they suffered no interference from mere politicians.

It is a matter of indifference whence such expert knowledge and practice comes—from friend or foe, from competitor or co-partner, from present or past: it should suffice to know that it has been tested by working, and proved to be workable; and following that, the quicker it is in action, the better for the communities concerned. Much more may often be learned by keen observation and quick appreciation of what strides an enemy has made, than from an ally; and the worst of all blunders is ignorance, or the ignoring of what active agencies in other lands are accomplishing. It was this superior disregard, this failure to apprehend what several other countries had been doing, that cost some nations much in blood and treasure at the beginning of the Great War.

And now the reader, particularly if he is an intelligent

voter, may perhaps be feeling the compelling power of a pertinent question, although he has probably never really put it to himself before, to wit: What are representatives to the Federal House elected for? Why are they chosen? When such are chosen and nominated by their fellow citizens, it is presumed that it is because they are better informed, better equipped, better qualified than others, to put into effect the results of the wisdom and experience of those who have proved most valuable in developing the wealth and welfare of that part of the world in which their fellow countrymen live and work. What is required, then, in this Dominion, are men of ability and training, elected to form and control government, so that it will bring about without delay the widespread application of the methods and practices which have made a signal success of vital basic industries and commercial and farming activities here and elsewhere.

If candidates for Parliament did but understand the necessity of being experts in all that pertains to the welfare of a people, in these days of strenuous international competition for trade and commerce, and if the citizens (a matter of much more import) rightly appreciated the situation, and only elected for members of Parliament, those who were specially qualified for modern governing, there would follow ere long the progress and prosperity so devoutly longed for in our Canada. Such a course, pursued by our people and our public men in public affairs, is required urgently, here and now, in Canada; this, and not the battle of words, the interchange of sarcasm, and the play of party philippics.

Surely the time has come in Canada—mayhap it is sadly overdue—not to talk of many things, but to put into action a strong policy along the lines of the crystallised experience of successful statesmen. We live in a free country, with a broad liberal constitution, and

in our present condition, it is essential—indeed, it is vital, to make each and every public utility, all public and inalienable property, the country's resources and industries, inure to the good and use and prosperity of the commonwealth that is called Canada.

All for each and each for all. In a word, a splendid national spirit, and an open mind regarding the Empire !

BANKS AND BANKING.

CHAPTER VII.

A RECENT writer, one of Canada's most noted publicists, urges the people to keep the banks out of politics, and to clinch his argument, he refers to the sorry spectacle of the Farmers' Bank—an institution created by Parliament, because of their fear of offending the farmers of Ontario. One can but answer, Is not politics the very place for these matters? Have not Governments, in very recent times, been forced to give up the conception of Government as set forth by the Manchester School (and followed in Anglo-Saxon countries) and substitute for it the paternal notion of Government adopted and exercised by other lands? It was just in the field of politics that there half-developed the policies for manufacturing, banking, railroading, farming; and if we must keep these matters out of politics, then there is something radically wrong with our politics, for that is the plane where the interests of all the people do truly belong.

It is frequently stated that Lincoln said, "Government of the people, etc.;" but, as a great expositor of the day has pointed out, this is a misquotation, for what Lincoln actually said, was, "*Under God*, Government of the people, etc." And is not the seat of the

trouble just there ? Is it not because God and the Right have been kept too much out of politics, that politics are dreaded by banks and business generally ? With men touched by the tongues of flame that characterised noble disinterested patriots, there would be little hesitation about mixing politics and business. What is polity but the interest of the *polis*, the city, and the people of the city ? Where can the weal of a country be better advanced than in the Assembly of the Elders, the wise men, the representatives chosen for their knowledge of affairs ? The people must have lost the landmarks. They certainly have departed from Lincoln's conception of what Government is, and what it was divinely purposed to be and to do. More than capital and organisation, we need the passionate love and enthusiasm of true Nationalists ; the sacrifice and service of the kind of patriots that made our motherland, and other motherlands that have left their mark in history.

"Where there are no graves there are no resurrections," says a remarkable thinker of the past generation. We have graves, many of them, in our Anglo-Saxondom ; and we have need to resurrect the spirit, as we cannot have the person, of the many splendid figures who lived for God, King and Country, instead of self-aggrandisement, self-satisfaction and self-glorification. Success in the realm of things and death in the realm of the Spirit must not be written over our civilisation. What J. A. Froude said when he wrote his "Oceana," after crossing this continent is arresting. "I should like to remind the people of America that the future historian will not ask what mighty cities you built, what bank returns you showed, what resources you possessed and developed, but what kind of people did you evolve as a result of your civilisation, as you journeyed across the stage of existence ?"

Banks and big business are means, and necessary means ; but they are only means, not ends. There is perhaps more need of stock-taking in politics, than

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anywhere, in order to learn the meaning of values—what they are, and to where they belong ; and unless Canada has her eye on supreme values, she with contemporary countries, must face just such another bankruptcy of civilisation as that which threatened chaos in the cataclysm of 1914. Politics, in a word, must be made a help, not a hindrance ; a blessing, instead of being scouted as a necessary evil or as a subject of derision.

Much has been said and written, pro and con, about the banks in Canada ; and much that has appeared publicly has been in favour of these institutions and their stability. On the other hand, there has been agitation, past and present, for new systems of credit and new banking legislation. It cannot be denied that Canadian depositors have had, as a rule, excellent security under the chartered banks ; while that private and local banks have not been a success in this Dominion, is a widespread opinion. A recent strong article stoutly maintains the place of the Bankers' Association as a guarantee of sound banking, and we think we cannot do better than summarise the statement in this relation. It says that only strong banks can protect customers in times of acute business depression, for local banks usually go to the wall under heavy pressure, or during prolonged periods of poor business. Long experience has demonstrated the essential soundness of the methods evolved and pursued under the present banking system, and it is largely because of the good reputation of Canadian banks that this country has so easily secured huge amounts of capital from abroad. The Canadian banks are national institutions, and as such they serve local and sectional needs. They have afforded people in the newer Provinces, money at lower rates than have prevailed in similarly situated American States. The banks which have failed in Canada have been chiefly those which have ignored sound banking practice. There may be something to be said for the

more direct inspection of banks, as was provided by the Parliament in the session of 1923, but, on the whole, the minimum of meddling on the part of Governments is advisable in respect to the banking system of Canada.

While much of what has just been quoted cannot be gainsaid, nevertheless, to paraphrase the ancient *Aggelos*, "there is somewhat against thee, O banking system of Canada!" Very lately the Parliament has been compelled to take a hand in these matters of finance, for recent disasters, due to crass self-interest and undoubted exploitation, have forced the attention of Government to a consideration of banking. There is no attempt on the part of this brochure to intrude amateur advice, but there is reason to direct attention to weaknesses and discriminations, and to what is being said by the average citizen. Bank failures mean losses. The people, through their Government and their representatives, must take steps to prevent a recurrence of such failures and the losses entailed through the gradual assumption of power on the part of a few financiers. It is said that a handful of men have sat, and do sit, about a table in Toronto or Montreal and settle the financial policy of this country for the next six months; it is said that such power was never delegated to these individuals by the people; it is said that some persons, individually or collectively, have played with the many millions representing the savings of this country; and it is said that some extraordinary ventures have been made at home and abroad with this same money.

It is unquestionably high time to investigate and report on these remours and complaints. If there is no justification for what is being said, the quicker a quietus is given to such talk the better. To allay suspicion and remove distrust among the citizens of a country concerning its banking institutions and their methods of doing business, is a prime necessity, if the confidence of business men and the general public is to be maintained; and the wisdom of closer Govern.

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ment inspection has been abundantly evident by recent unfortunate happenings.

It has been the habit to boast of Canada's banking system both at home and abroad, and many have been the encomiums both spoken and written ; and to assure continuance of this favourable attitude and to prevent possible criticism, closer control under Government direction and more publicity are plainly imperative.

In other directions, too, it might be well for Government to consider the financial situation as it is affected by banks and bankers. The need of cheaper money is crying, especially in the West and the newer parts of Canada ; and so, unable to persuade the banks to depart from a conservative policy in this regard, as far as the small farmer is concerned, the local Governments in the Provinces have instituted Rural credits and farm loans. These have not been attended with the success they deserve, but examination reveals the usual cause—the absence of the proper personal equation ; in a word, the lack of adequate management and (what is of supreme importance) the want of the right kind of managers—men of character guided by no motives of mere self-interest or interest of near friends.

If Germany, before the War, could start a bank for agricultural credit with some 15,000,000 marks (\$3,750,000), and make a very great success of it, why cannot it be done here ? It might be difficult to loan money at the low rate this German bank did, namely, at 4 and 5 per cent, but when such an institution could increase its capital to over 500,000,000 marks in some twenty-five years, it should be possible to approximate such a venture in this country by careful management.*

There are complaints of another very different kind in respect to the banks. Some of these arise in virtue

* The figures given are taken from the latest edition of "Modern Germany."—Since the above was written, there is a strong presumption that the Federal Government purposes dealing with Rural Credits on the basis of the Tory report.

of the fact that the local branch manager has to refer the question of loans of more than trifling size to Head Office. This is one of the very greatest grounds of dissatisfaction. To have to refer to people or officials who know little or nothing of the local situation, and less about the individual seeking advances, is a real cause for objection to a branch bank system. The cry is for larger local power to the local manager, or for the aid of a local board to pass on the required advance. The whole situation of advances from banks is not without difficulty, but assuredly there is no subject that is more discussed, and none more used as an argument against the present system of banking in Canada.

In the light of the diminution of industries in some Provinces in recent years, a well-known business man of Toronto suggests that the banking system has something to do with the tendency of industry to move from other Provinces to Quebec and Ontario. This critic's articles are so à propos of the situation as it is at the present time, in respect to banking in general, that no apology need be made for quoting from it.

The authority for the distribution of money and credit in Canada being concentrated at Montreal and Toronto, where the head offices of all the banks but one are located, industry naturally will not establish at points far distant from where the final authority for loaning exists. It is a common belief that Canada can never prosper, as it should, until there are banking regions with the head office in the same region as its branches, and all knit together by a central bank or federal reserve board.

A reorganisation on this basis should involve no serious dislocation. If industries must centre near the head offices of the big financial institutions, that is, Toronto and Montreal, the hinterland cannot be satisfactorily or speedily developed. To go in for farming on a large scale, to foster industries in the Maritime Provinces and the Great West, there must be more elasticity in banking; and if the Dominion Government does not establish regional banks, or does not

insist on a greater de-centralisation in the matter of the possibility of the distribution of loan capital, then the Provinces should take steps to enlarge their powers so as to deal with the question of credits within their bounds. This may mean constitutional changes, but necessity should know no law ; and if the B.N.A. Act will not permit of the exclusion of branches of banks whose head offices are beyond the Province, then steps must be taken to effect a readjustment of conditions. However, the very fact that the Government of Canada has been investigating the question of rural credits is an acknowledgment of the many difficulties that have arisen under existing conditions.

Regional systems of banking and rural credits have been worked successfully in other lands, and it would appear that the time has come for something supplementary to the branch bank system now in vogue. As the writer, a man of large business experience says, such suggestions cast no reflection on the banks of to-day. It is a question of determining what is the best method of dealing with a country as widespread as Canada. There is much irritation to-day, notably in the West, because money is not to be obtained except by long distance negotiation, and that with officials who are dependent on the local manager for all the information concerning the local situation. Men of authority should be on the ground that valuable time may be saved and enterprising men encouraged.

To find fault with a system that is not meeting the conditions, is not to condemn the great minds that evolved the present way of doing things in banking. The point at issue is not what has been done, but what must be devised to meet a changing situation. If a Federal Reserve system were adopted, would it not be possible to readjust matters so that it would not be necessary to keep such large sums of money in New York ? This money is required here in Canada, and it is surely a sign of weakness in constructive banking

that ways and means have not been devised whereby this can be arranged.

A competent system of Government inspection, a reorganisation of banks into regional units, so as to give each Province an equal chance to prosper, and the abolition of the restrictive double liability, are pressing demands to-day ; and if the Dominion authorities will not bring these about, then it is for the provinces to agitate for action. It is manifest that the banks cannot prosper unless the country prospers—and the manufacturers are in a like position ; nor can the farmers enjoy prosperity unless the country at large is progressing and progressive ; and the work-people cannot prosper unless factories are working full time : but when all these elements are prospering, the country at large will advance in wealth and population.

The country needs patriotic men of large vision, and with business acumen ; and the people need education as to what Government can mean for their material advantage.

If the tariff question were handled by statesmanlike experts, and the banking system reorganised by specialists, there would be no more questions put to the Federal authorities by Nova Scotia, New Brunswick, Prince Edward Island, Manitoba, Saskatchewan, Alberta, or British Columbia, as to why they do not prosper.

FISCAL POLICY.

CHAPTER VIII.

THE course of the struggle concerning Trade Policy in Canada has been marked by its close resemblance to that in the United States. As in that land there have been great differences, so has it been in the North Land. The great extent of territory from Atlantic

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to Pacific, and the diversified nature of the Provinces, have led to various fiscal shibboleths, and Free Trade champions, Farmers' parties, Commercial Union advocates, Unrestricted Reciprocity and High Protection partisans, have filled public platforms and press. The general trend in fiscal policy has been pretty closely along the same lines as in the Great Republic. In both cases the Protectionists have won the day, and for very sufficient reasons. Men may write and talk about all Tariffs being evil, but what is to be done if all the world, except a Great Britain, erects tariff-walls? Free Trade, as meaning producing what a country is most fitted to produce, buying in the cheapest market and selling in the dearest, and following the law of Supply and Demand, may make what the printer and publisher call excellent copy; but if markets are closed by prohibitive duties, if Free Trade has no free course, if supply and demand are principles artificially cultivated and directed, what recourse or retaliation has the land that has large areas but scant population, and which, producing, can find no consumers to open the door in order that she may sell? How can such a land live under Free Trade?

It is the fact which Canada faces, and the simple fact is tariffs everywhere, and not a trace of absolute free trade.

Even Great Britain has so varied her policy that an Adam Smith could no longer recognise it as Free Trade. When the Canadian reads that since the war the trend of fiscal policies throughout the world has been definitely and increasingly protective in character, and that since the Armistice no less than sixty-five countries have increased their tariffs, he wonders if he dare do otherwise.

These increases, too, have been generally very substantial and, in some cases, nearly prohibitive. The average reader knows that on two occasions the United States has raised its tariff walls, and to-day

that country has the highest scale of duties in its history. Even Great Britain, after the war, set about safeguarding its industries by granting protection to many articles.

The results of such a line of action are interesting. While Canada was lowering certain duties, her business conditions became worse. On the other hand, following the sharp rise in protection, the United States on the whole shewed improvement in commerce. In Australia, they increased the duties, and were able to balance the budget and pay off some debts. In Canada not even the budget has been balanced since the war, and the national debt has increased. In a number of the Provinces the public indebtedness has also shown an upward curve. And one effect of similar unsatisfactory economic conditions, has been, as pointed out elsewhere the loss of some 500,000 Canadians, who have passed into the United States.

The farmers who were in most cases crying out for a lower tariff and got it, have passed through some of the worst years in the history of Canadian agriculture, the chief causes of which were the lack of markets in the old world, and the closing of possible markets by protective tariffs.

There has been an increase in business failures, and unemployment has become so acute at times, that Dominion and Local Governments have had to consider ways and means of giving occupation to the many workless. There is no part of Canada that has not felt the serious industrial crisis. A recent writer, a President of the Canadian Manufacturers' Association, gives a typical instance from the statement of a leader in Industry. The statement in question—a quotation from the evidence given before the "National Conference Regarding Winter Employment in Canada," held in September 1924—is as follows:—

"I am Vice President of the British Empire Steel

Corporation,* which in normal times employs 22,000 men, most of whom are employed in the Province of Nova Scotia. In the year 1922 we paid out in wages, irrespective of salaries, \$17,692,000. In the year 1923 we paid out in wages, not including salaries, \$24,712,000. We operate twenty-four collieries. We can produce 24,000 tons of coal a day. In the month of July the total production of steel ingots in Canada, according to the Government return, was 52,000 tons. Of that quantity 31,000 tons was produced at our plants in Cape Breton. But our plants are closed down. Our blast furnaces are idle. Our open-hearth furnaces are cold since the 5th day of August, and instead of employing 3,200 men in our steel plant in Sydney, we have to-day between six and seven hundred men employed."

In the light of this startling statement, it is instructive to read that for the twelve months ending March, 1924, Canada *imported* \$36,211,819 worth of rolled iron and steel, and \$44,427,750 worth of bituminous coal; † and the reader is forcibly reminded of the following words ascribed to Lincoln: "If we buy rails from England we get the rails of course, and they get our money; while if we buy rails at home, we have the rails and money too."

The competition from the United States is the most serious obstacle to our development in Canada. Our farmers, our miners, our shipbuilders, our fishermen, our ranchers, all have suffered and are still languishing because of the attitude of the Americans. The Fordney Tariff is designed to shut out all products of Canada. A splendid cattle trade went on between Western Canada and the Chicago Stock Yards. It had taken years of hard work on the part of ranchers to cultivate and satisfy this great market. Suddenly, and without power of prevention, business is wiped out by higher

* Since this was written, this great Corporation has been on the verge of bankruptcy.

† These figures are from the Canadian Bureau of Statistics.

tariff walls. By recent changes in import duties, Canadian fish is practically barred out of its most natural market, the American Union. Because Canada allows American-built ships to engage in Canadian Coastal and Inland water trade, shipbuilding and shipping are not what they might be, or indeed should be. No Canadian-built vessel, however, need apply for permission to participate in the United States' trade. Any such vessel must be built within the confines, that is, in the ship-yards of the Republic. The farmer in Canada cannot get his grain, fruit, vegetables and dairy products into the markets of the United States. A similar situation obtains in respect to the well nigh inexhaustible supplies of coal in Canada. Nothing has been said of the manufacturer. He also has had to suffer in various directions—for instance, in the textile industry, and in the making of boots, and of knitted goods, all of which have been seriously affected by outside competition.

Perhaps the most important consideration, is the neglect of what seems the greatest weapon in this matter of trade and competition. Canada bought \$601,000,000 worth of goods from the United States in 1924; in other words, this land is Uncle Sam's biggest single customer. Why, then, have not our Governments, past and present, initiated a tariff that would compel bargaining to secure entry or preference, for the products of forest and farm, and of fishing and mining, to speak of naught else?

Secure in their own markets, through tariffs that are well nigh prohibitive, the American manufacturers can do a lot of dumping of surplus products into Canada and elsewhere. The purchase by Canadians of \$66 worth of goods per capita in one year, from the U.S., while Americans buy but \$4 worth per person from Canada, is a disparity that should not be endured. It is not fair dealing to have a balance of trade against Canada of over \$150,000,000 per annum, with a land

that will purchase from Canada only what it cannot produce itself. To go on trading with a person who places every obstacle he possibly can in the way of your products reaching him or his customers, seems the height of absurdity, when thus seen in a concrete example, or a single instance. Yet we Canadians, with all the power of high tariff in our hands to compel bargaining and better terms, calmly go on purchasing Yankee goods with a blindness to our own best economic interests that is truly incomprehensible. We have factories and farms, and forests and fisheries ; and yet when others take every step possible to protect the business and trade connected with them, we Canadians have not the savoir faire, or the unity, or the communal sense, to follow suit. The present President of the United States leaves no doubt as to the American attitude, which he puts tersely : —

“ Two very important policies have been adopted by this country which, while extending their benefits also in other directions, have been of the utmost importance to the wage-earners. One of these is the protective tariff, which enables our people to live according to a better standard, and to receive a better rate of compensation, than people, at any time, anywhere on the earth, ever enjoyed. This saves the American-workmen.”

And again : “ We have built agriculture squarely into the structure of our protective system, and the American farmer must not be under-sold at home by New Zealand mutton, Argentine beef, Canadian wheat, Danish butter, Bulgarian tobacco, Chinese eggs, or Cuban sugar.”

It has been said, and it is being said, that the United States did not prosper because of the protective tariff, but in spite of it ; that the country had such natural resources and such a variety of them, that it was self-contained, and could prosper if left to itself. This, however, could not be said of a European country

such, for example, as Germany. Flushed with triumph through the Franco-Prussian War of 1870-1871, and aided by a great war indemnity paid in gold, Germany did not make any considerable progress in an economic way till Bismarck, the frank free trader, was persuaded to give protection a trial. Germany at that time was one of the poorest countries in Europe in natural fertility. Her resources were not such that she could have carried on prosperously, if a ring fence had been made about her and outside trade ignored; and yet, under high tariffs, she developed rapidly. And, then, by means of bounty-fed industries—another and more direct form of protection—she forged to the front, and, before the Great War, was second in the production of iron and steel, she having passed Great Britain and attained a position beside the populous United States. In the matter of unemployment previous to the war, Germany had much less than Britain. The statistics for one year (1908) show Germany with 2.7% of unemployed, while during the same period Britain had 9.7%. At about the same time the Savings' Bank deposits in Germany were three times as great as in the British Isles, namely, £694,455,000 in Germany, to £209,654,000 in Britain. In short, before the war this same country, with a high tariff, and a large Government system of bounties as special aid to industries, in addition to protection, proved itself to have become the wealthiest state in Europe. Nevertheless, Germany's taxation was lower than that of Britain, for, for every pound paid by the average German, in taxes, a Briton was paying more than £2. In another direction, and as a result of carefully differentiated tariff taxes and Government ownership, the state railways of Prussia, the state forests, state mines, salt works, and various other undertakings, each and all made handsome profits.*

* The above facts and figures are from the last edition of "Modern Germany," by J. Ellis Barker,

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When the investigator, anxious to profit by the knowledge of the skill and success of others (avoiding at the same time their colossal blunders and failures), reads of the prodigious rapidity of material prosperity in Germany under paternal Government and its policy, he is compelled to acknowledge what a wise use of Government can be made to mean to the whole economic activity of a country. Yet, in spite of what those Teutons did through the power of Government, Anglo-Saxons insist that Government aid or Government management is a failure.

What a commentary on boasted British and American democracy ! If Germans made a big success of Government control and management ; if they made railroads pay bigger dividends than English roads, and yet charged cheaper rates ; if Government in that land could foster shipping by large subsidies so that in less than twenty years tonnage increased from 723,652 to 2,256,783 ;* and if the same Government could benefit industry and business in wellnigh every direction, why cannot Governments in purely democratic countries do the same ? Are these lands inferior in morale or management ? If that hostile people could do all this, why cannot Britain or Canada ? Either democracy is a confessed failure, or our Governments have neither the farsightedness, nor the business capacity of a more or less autocratic regime.

Before 1914, Germans refused to be either unqualified protectionists or absolute free traders. They simply used one or the other according to the exigencies of the time. But to use the potential power of Government, and to pursue instead a policy of non-interference seems the height of incapacity. A wise use of Government, that has within itself all power, can mean everything to the business of a country. That was proved once and for all by Germany : by a judicious management, under Government aid, that land grew faster,

* See " Modern Germany."

and wealthier proportionately, than any other in a like period of time. If the reader desires to convince himself more thoroughly in this matter, he can easily do so by reference to the books that appeared before the war and during the war, dealing with the comparative advancement in the leading lands of the world.

It is too sadly true that here, in Canada, there are all too few men in public life that have had the training or experience to undertake such a vast enterprise as paternal governing in the best and widest sense.

Recently a Professor of Political Economy in one of the largest Universities of the United States, advocated the establishment of a school with courses for the special training of those contemplating a career of public life and public service. Is there any sound objection to carrying this idea a step further? Why should not this country demand of a person prospectively seeking political preferment and responsibility, expert knowledge of Government, political economy, and finance? If he is seeking the suffrages of the people, presumably he has the qualifications for constructive statesmanship; and the country could not do better than provide the preparation for public office, and make it obligatory. Modern lands require candidates for civil service to pass certain tests to prove proper standard of preparation for place and position; it is statutory that lawyers, physicians, engineering experts and the like, study a definite period, and shew their qualifications through examinations and tests, written or oral, or both; and a business corporation demands that the members of its executive be experts—none other need apply, as it is not trusting its vast interests to amateurs: and yet in the field of politics, in the matter and management and disposition of the millions of dollars that are required for Federal, Provincial and Municipal affairs, we open the door to any Tom, Dick or Harry. He has but to get the political machine behind him, and then go out and shake hands with the citizen,

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kiss the babies, flatter the mother and joke with the father, to march off as an M.P. Canada gives him \$4,000 a year, free transportation over all railways and canals, and the power and privilege of declaring how hundreds of millions of dollars are to be spent, or (is it ?) dissipated.

It is only requisite for the people to insist that aspirants for public office should reach a fixed standard in all that concerns Government, ere they can be nominated. And the voice of the people is absolute in this matter : they have but to lay down the conditions of a candidate for political life ; and no authority can gainsay them. Under such new conditions, too, there would be (because of liberal education) an extraordinary diminution of the half-digested panaceas that are perennially presented for the many ills of the body politic.

Till the people (and that means the youth growing up) are educated to see, accept, and require some such reforms, there can be faint hope for amelioration and enlarged general welfare through any form of present-day democratic Government, and there will continue but the age of "meddle" and "muddle," as a well-known critic has written.

It is possible that the reader, the hard-headed business man and the many politicians, may flout the ideas here expressed as Utopian, or chimerical, or as futile or fantastic. If they do, they find themselves criticizing some of the profoundest people in history. Such master thinkers as Plato and Aristotle among the ancients, and Frederick the Great and many publicists of modern days, have emphasised the necessity of qualification and training for politics. Plato insisted that only men of intellect, whose ability for ruling and directing affairs had been discovered and carefully developed by education, should act as rulers and leaders. And Aristotle, the sage of Stagira—he that "bred Great Alexander to subdue the world"—in complete agreement with Plato, taught that the highest of all

Arts that man can aspire to possess is that of politics, because its business is so to direct, as to produce the greatest good for mankind. And what a change is here! And how the mighty have fallen! "To-day," wrote a post-graduate on his examination paper (and this reflects the idea of intelligent youth), in speaking of politics, "when one says politician, everybody within hearing laughs. The business of politics in these times is to get votes, get the candidate in, and get the plums."

Because Frederick the Great found similar incapacity when he ascended the throne, he cleaned out the Augean stables, and, following the wisdom of the mighty Greeks, chose men and trained them.

Government and direction by experts are a *sine qua non* in the case of all big successful corporations to-day; and if such procedure is successful in a huge industry, why not in dealing with the biggest and most crucial business of any country—the Government. The possibility of accomplishing such a desirable consummation is dependent, however, on the belief in Government experts, and this is bound up with the belief in education—(1) to prepare people for such Government, and, (2) to provide the required experts, and send them as representatives to Parliament.

IMMIGRATION.

CHAPTER IX.

WE need people of the right sort in this Canada more than aught else at present.

"Canada must get more capital and more people if she is to survive and progress, and she must get them by uniting her policy with that of Great Britain," declared Dr. Stephen Leacock, Professor of Political Economy at McGill University, in an address, recently.

Dr. Leacock said "there was no need to disguise

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the fact that at present the country was not in a satisfactory condition. Statistics were not needed to tell the people the country's life blood was being drained by emigration. A large proportion of those who had left in the last two or three years were young men, the best blood of Canada."

What Dr. Leacock says bears out what has been referred to elsewhere, namely, that too long has Canada been but a stepping-stone to the other half of the North American continent.

It is true that the big crowded centres will continue to draw the best blood of Canada just so long as Canada has aught to offer. Youth is optimistic, adventurous, eager to dare and to do ; but the necessary external conditions must be there against which they can react, with which they can strive, and from which they can win, in the first instance, subsistence, and then see a fair prospect of a good measure of prosperity.

It is not true that our youth as a rule wish to leave Canada, whether it be the land of their birth or their adoption. For many reasons they prefer the general life of Canada. Nor is it defect, decline, or decay, in the virility of this country's youth : it is the country's failure to provide the chance to work at and with the raw resources of the wide areas ; and there is only one place at which to lay the blame for this failure of opportunity, and that is at the door of the Governments.

Government is called into being, and exists, in order so to direct the social organisation as to produce the greatest good for the greatest number of citizens. To do this it must use every means to develop its natural wealth in an economic sense, with a direct access to, and value in exchange in, the markets at home and abroad. This must be done by the Government itself, by public ownership and conduct, if the ruling authorities cannot, or do not, induce private interests to enter the field.

When political leaders have the courage so to state their intention, there will be little difficulty about retaining our " best blood " on the one hand, and

attracting and absorbing a large immigration on the other.

It will be noted that Prof. Leacock favors immigration from the British Isles. While all good Canadians are in hearty accord with such an idea, it is a question whether immigrants from other lands also should not be invited. An impartial selection of rugged peasant types from any or all of the European races could be made with distinct advantage; and in the light of present-day knowledge of such types, preference should, no doubt, be given to Nordic races, for they are hardier and more accustomed to such a climate as obtains in Canada, and also better adapted to assimilate with people of British stock.

Many individuals and not a few organisations in Canada, East and West, have expressed themselves in opposition to the incoming of any more settlers, because the country cannot support those already within the gates.

There are several reasons why such a position is untenable. In the first place, all are agreed that this Dominion has resources and wide-open unoccupied regions requiring development. If the United States, at the same stage and when she had a like population, had pursued a similar policy, would she be supporting one hundred and ten million people to-day? She may have opened her doors too widely; she may have been too ready to receive all comers without a policy of selection; but she could never have had her material possibilities unfolded, and brought into being and use, without a large influx of Europeans.

And if men in a position to judge—men like the presidents of the great railroads—affirm that the far-flung spaces can absorb at least 300,000 new inhabitants annually, it is time to go out and wellnigh compel desirables to come in.

The United States did not make any special provision for the new-comers. They went out on the wide areas, in many, if not in most cases, with nothing but brain and brawn, and health and hope; and the Western

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States are evidence of how they subdued the earth, and how large numbers are supported on what was vast untilled and unoccupied prairie.

The real question is that of selection. The cities are just now top-heavy in relation to the agricultural areas. With a much greater urban than farm population, the Provinces cannot continue to prosper. It should be the business of the Federal Governments, and it is the most urgent business, by the way, at the present moment, to unfold plans whereby people placed on the land can be induced to continue there ; and those in cities qualified for tilling the soil, and those town-dwellers, desirous of taking up farming, aided and abetted to migrate there.

It is interesting to find that following reports and representations—chiefly of the Resources' Departments of the two great Railway systems—a definite plan of assisted settlement of approved British families on Canadian farms has been put into effect. During the first year (1925) some 500 families or 2,500 individuals were brought out to Canada under this scheme.* It is most gratifying to learn from the Government reports that 85 per cent. of all those who sailed in 1925 have definitely expressed themselves as happy and satisfied, and glad that they moved. As already noted, much larger groups have been brought out since.

Elsewhere it has been pointed out that the ordinary decencies and pleasures of modern life for "quarter sections" have need of greater provision. It may be that through community life, the wider distribution of telephones, radio, automobiles, and other accessories, the attraction of the white lights and amusements of the metropolis may be overcome, or in large degree counteracted.

An article which appeared in a late number of the *English Review*,† is illuminating in respect to the question of the settlement of Canada's West. The author, who

* *English Review*, December, 1924.

† In 1926 more than 1000 such families came to Canada.

lived for some time in one of the prairie Provinces and then returned to Britain, is firmly convinced that no settlement can be effective that is not carried out on some definite lines of co-operative community life. To this end, he suggests the advisability of settling people near one another in a township, with roadways running diagonally as well as at right angles. This will enable the population on this limited area to live comparatively near to one another, to have quick and easy access both to one another's houses, and to the town or village which will be at the centre of the township. In this way a greatly increased possibility of community life will be afforded, especially during the rather long winter season. Such a plan would also enable farmers and settlers to carry out large measures of co-operation in respect to ownership of farming equipment, and of high bred live-stock, shops, warehouses, grain elevators, etc.

In some of the countries of the Old World such community and co-operative living has been organised and worked with a large measure of success during a long period of years.* In parts of Germany, particularly in Thuringia, the peasantry live in villages and not on the separate farms; and in Saxony and Prussia, there has been a large measure of co-operation in the matter of ownership of farming equipment and high bred live-stock. The various books and articles by T. Ellis Barker, the well-known publicist, afford much information in this connection.

These proposals, therefore, are not experimental or merely suggestive; they are practical and proved.

Life of this kind would be a particular boon to the women, who, in present circumstances, see far too little of their fellow beings and suffer greatly, in consequence, for lack of the social amenity so dear to the heart of womankind. Men go about more, their business of buying and selling taking them to town or to other farm premises; but the wives must stay at home to attend to the family and the duties of the household.

* See references in Chapter VI. ("Canada's Economic Role.")

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Government immigration departments and land companies interested in bringing new settlers and keeping them in the country, must grapple with these questions, for without some satisfactory solution of the demands of the social side, it is vain to hope to keep the people here. They simply will not submit to live under the difficult conditions, particularly of the first few years, unless they are able to find recreation and relief from the hard daily grind and routine. As one who knows the prairie and the conditions of its wide-flung spaces, the writer is in entire agreement with the contributor of the *English Review*.

If this question of community, communication and co-operation, is wisely and promptly decided and determined, there will be a ready influx of desired and desirable newcomers.

It is hopeful and encouraging to learn that Great Britain has already taken steps towards assisted emigration to various parts of the Dominion overseas, for this means that agents are working on the spot, in close contact with persons seeking opportunity to go out on the land.*

There is no reason, however, why the Government should let the matter rest there. Forerunners might very wisely be sent to various points in Europe where they could co-operate with the local authorities in selecting settlers. Arrangements could then be made for their transportation, and on their arrival there should be machinery available, whereby they could be readily and rapidly carried forward to carefully chosen destinations.†

Moreover, it must not happen, as in former times, that these newcomers be left to shift for themselves. The "tenderfeet" must be instructed and guided, and the proper persons must be delegated to keep in touch with

* Particulars as to the steps being taken are given in the booklet entitled "Assisted Settlement of Approved British Families on Canadian Government Farms." The booklet is issued by the Department of Immigration, Ottawa. (1925).

† Some of the work suggested here is now being done.

them for several years, or till such time as they are on their feet. If they are not doing well, if they are dissatisfied with their land or their environment, let expert representatives visit them, counsel them, and, if need be, offer to let them have land elsewhere. Neglect of the newcomer means, in many cases, discouragement that results in disgust and departure. Those that know the prairies, in season and out of season, will bear out the necessity there is for constant care of new settlers ; and they will heartily endorse all the proposed co-operation of Government and municipality, as well as of neighbours, for they have seen the difficulties and hardships of beginners in new surroundings (far from homeland and friends), and know them to be manifold, and well-nigh overpowering.

To those who may declare that this means pap-feeding and molly-coddling, the answer is, "Become better informed of the actual circumstances and conditions." Let such be still until they know.

Of course, all this helpful consideration should not be without definite and determinate conditions. The immigrants should be required to agree in good faith to make trial of their new home and land for at least five years. If it is thought advisable, more hard and fast conditions of a legal nature might be imposed ; but so long as all is fair and above-board, and all concerned are convinced of fair play and even-handed justice, there should be no difficulty in arranging mutually acceptable conditions.

The question of rural industries requires consideration. If community life can be initiated through judicious placing of families, the matter of fitting industries would be made much more capable of solution. But it is too large a problem for immediate solution, and it is referred to, therefore, rather in the way of suggestion. Nevertheless it should not be forgotten, for if the tide of immigration sets in strongly, the need for such industries will become urgent.*

* Miss H. Mowatt's magnificent work in establishing Cottage Industries in Charlotte County, New Brunswick, is evidence of what can be done.

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There is emigration also. Too long has Canada been a filter for the United States ; too long has the best of the rising generation been drawn off by promise of higher wages, large opportunities, and more steady occupation. And it has not always followed that these promises have been implemented. Our young people in Canada should be instructed as to the contrasts in the two countries, North and South. They should be informed that city life in the United States is much more strenuous than in Canada ; that Americans of the city type are very hard upon themselves in business ; and that with competition keener, the desire for larger incomes greater, and the families much more extravagant spenders, life is much harder and more wearing, and the key-notes of the business day are intensity and high pressure.

Harder work and more attention to the conduct of business and the daily task might be advantageous in Canada, but it is to be hoped that the " bottled lightning type " of man and woman, and boy and girl will not become domesticated in Canadian offices, warehouses and factories.

The words of the famous Old World neurologist, Dr. Clouston, to Professor James, of Harvard, are significant in this relation. He said, " There is too much expression in the faces of the people of big centres in this country (U.S.) ; they are living with all their reserves in action." If there were a consistent education and propaganda among the younger generation in Canada as to comparative conditions in stress and strain, in store and office and workshop in the U.S. ; if they were informed of the gruelling pace of the average employee there, because of the driving, due to competition ; if they were shown that even the pursuit of recreation is a species of painful pleasure, a work instead of a play, a strain instead of a relaxation—if they knew these things, they would tend to endure the ills they think they have in Canada, rather than fly to the others in that difficult land ; and would tend to be content

with less money and more freedom at home, than high pressure and little leisure abroad.

It is manifest, then, that while there is urgent demand, as constantly emphasised in these pages, for organisation and will, for the power of Education and Government, to aid and abet industrial activity and beget economic success, the overstrained business and industrial conditions in too many parts of America, of Japan, and of Germany (before the war), are to be carefully guarded against. If it is not possible to have efficiency, application, and consequent economic success, in the world of trade and commerce, except that our manhood be consumed in the effort, and if in the factory and the office, among the operatives and the executives, the will to win is eating up their very tissues in its white heat, then must youth and age call halt. But if they have been educated aright, they will have that sense of proportion, that poise, in virtue of which they will not allow Government or any other agency to interfere with their free predilections. There is a stage beyond which they will stand as masters of their time and will.

It is quite possible for Canada to become unconsciously obsessed with an inferiority complex—an undue sense of economic inferiority to her rich neighbour. She may, in this way, become morbidly anxious to catch up, and, in colloquial phrase, “make good.” But to surpass the din and clamour of the world’s factories and forges by the wild energy of Canada’s young manhood, is scarcely the objective to be ranked first. Much finer for Canada to bethink herself of her splendid youth in all their beauty on prairie and parkland farm!

An Oxford University Englishman, himself a fine physical type, having lived on the ranch and ridden the range, enthusiastically writes to the author, stating his belief that Canada has definitely surpassed the world in the physical male type. He hoped, he added, to help in the great task of transferring and distributing machinery and factories—“taking these to the people, rather than cramming them as a sweating and sweated

humanity into a scabrous maestrom of struggling gutter rats in great cities."

In industrialising hamlets, in carrying the workshop to the people, in arranging that small communities may become nuclei of growing healthy centres, producing that for which they are naturally best designed, Germany has given another argument for Governmental efficiency in administration.

Here is work for our parliament and paternalism, and yet there remains a still larger work for public men. It should be the glorious aim of leaders in public life, to make such an appeal to Canadian youth through good Government and Education, idealised, and yet practical, that it will turn away from the "get rich quick" idea, and from trickery and charlatanism, graft and jobbery. When clever young Canadians can discriminate between probity and simplicity, self-abnegation and effeminacy, they will love Canada above the purchase of the next car. In such a case, comparative poverty would be Canada's glory !

Like the other problems that face Canada, this one of emigration belongs to the department of Education. A proper statement of the possibilities of the native land, and a steadily aided development of such possibilities, will go far to retain the young people among their own folk.

If large and increasing opportunities are provided, and youth is prepared for and presented with these ample opportunities, emigration will decrease and eventually disappear. More than one country, in modern days before the war, succeeded, in just such a fashion, in stemming the tide of emigration. It has been done ; it can be done. To do it requires the interest and activity of the best patriotic spirits in education, in industry, in public life.

It will perhaps be a fitting conclusion to this chapter on the twin problems of Immigration and Emigration—of obtaining a satisfactory influx from other lands, while, at the same time, retaining Canada's youth in her own land—if the reader is presented with a sight

of a few of the resolutions which were passed at a recent convention of the Canadian Chamber of Commerce. Among others, the following resolutions were unanimously passed : —

“ That an immigration policy which will encourage immigration from Great Britain and Ireland, United States, and preferred European countries, be vigorously pursued, and that a conference be held by the Department of Immigration and Colonisation with representatives of Agriculture and Industry, with the object of obtaining a balanced allocation of immigrants throughout the country.”

“ That a national survey of natural resources be undertaken by Ottawa,” and ‘ That the Dominion Government be asked to establish natural resources’ research laboratories at Ottawa.”

“ That completion of the trans-Canada highway be recommended to Ottawa and that the Federal Government be asked to continue the policy of assisting main highways as under the Highway Act.”

“ That every effort be directed towards obtaining employment of graduates from Canadian universities in Canada.”

THE SUPREME TROUBLE.

CHAPTER X.

A NUMBER of men were sitting in a well-known Club in a leading centre of Western Canada, discussing their country, when one of them propounded this poser : — “ What *is* the matter with Canada ? ” Various answers were suggested, one speaking of the banks, another of the railroads, and another of tariffs ; but the oldest man in the group startled his companions by saying, “ Government.” And as he was a known reader and thinker, as well as a reasonably successful man, his friends sat up.

“Yes,” he repeated, “if I were asked to answer the question, ‘What is the matter with Canada?’ in one word, I should reply ‘Government.’ Mark you, I do not say Liberal or Conservative Government: I simply say, ‘Government.’ Do men realize that Government is all powerful? You have heard the expression, ‘Vox populi, Vox Dei,’ and that Government is of the people, by the people, and for the people. Is it not manifest, then, to even the meanest comprehension, that Government can make or mar, help or hinder, the progress and prosperity of the people? It is created by the citizens, and has delegated to it, supreme authority in ruling and directing all that concerns industry, resources, justice, or any other activity. It is the failure to function, to appreciate and put in practice what Government is, and what Government should be, that has disgusted the public of this North American continent with politics and politicians.”

The speaker was but expressing the judgment of a noted publicist of the Old World: “A Government can make or unmake the character of a nation.” This is conspicuously evidenced by the course of the development of those terrible enemies, the Germans.* Out of the most unpromising raw material (poor, rude, ignorant people, lacking sense of unity and patriotism), their Government, between the beginning of the Eighteenth Century and the opening of the Twentieth made a most imposing nation.

In calling attention to the extraordinary success of proper management and organisation on the part of a Government, the writer makes no apology for reference to Germany. It is of more importance to learn from

* The writer knew Germany at first hand before the war, and for a considerable period. With the aid of such books as “Modern Germany,” written to waken up Great Britain, the writer desires to offer his country the tremendous results of Government in action, and at the same time to urge his fellow citizens to a larger idea of Government and Education—the central thesis of this small book. The appendix to this chapter should be read before the chapter itself.

your enemy than your friend, and the nation or people that cannot learn, or refuses to learn—no matter the source—is already under judgment.

In the matter of immigration, this Government's course is well worth studying. As with Canada, there were at one time many wide spaces unoccupied in that enemy land, and these were increased by the depopulation due to the infamous Thirty Years' War. When the Huguenots were being driven from France (and no better immigrants could have been found), large inducements were offered to them by the German States to come to them. They were granted assistance in transportation, permission to settle where they liked on free land, freedom to bring in goods and chattels free of duties, and, where necessary, empty houses and building material were supplied. Freedom from taxation over a term of years, and all the rights of citizenship, were given immediately; and these French immigrants and their descendants became most valuable citizens, and contributed greatly to the wealth, the culture, and the energy, of the land of their adoption.

Why cannot Canada seek people of an equally high class and offer them the like inducements? It is people of character and ability that make a country, and a wise Government will not haggle over material considerations, if it can secure such settlers. Had Canada but the skilful and daring policy of a strong Government, nothing could prevent this land from a rapid increase in population, wealth and proper power.

Under Democracy the Government has all power. With a proper appreciation of the purpose of government, it can proceed at once to inaugurate policies to the advantage of agriculture, commerce, education, justice, and culture; and by a judicious study of the world situation in respect to any line of manufacture of any department of agriculture, it can be of inestimable service to its citizens. It was by unremitting energy during a period of consistent policy, carefully carried out, that Germany advanced with giant strides.

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*By general admission the bureaucracy of that enemy country was, before the Great War, unsurpassed anywhere, in ability, hard work, thoroughness, zeal and patriotism. No body of public officials could have had a more burning zeal and energy for their Fatherland. These characteristics, the greatest of which, by the way, was absolute responsibility, were begotten by education through direct Government direction and control—"A Government *which governs* can easily form the character and habits of the people." Long before the war, Germans were characterised as thorough, industrious, frugal, thrifty ; but—and it may be news to Canadians—these qualities were not natural to this people. They were fostered and enforced by training, by education, and, yes, even by penalty, for during the Eighteenth Century idlers of every rank of society were punished. Discipline and education during a century or more, begot these great qualities, and the proof could be seen before the war in the contrast between the people of North and South Germany, or between the hard-bitten Prussian and the easy-going Austrian. It was in this land that *compulsory education had its origin* : and thanks to a strong and stable Government, with always and ever a clear and definite aim in all its undertakings, no land has carried out education with such results in efficiency.

If there were any real understanding of the all important part Government can play in the advancement of a country, what a difference there would be in Canada in a few years !

When men are asked, "What is the matter with Canada ?" they talk about world conditions and hostile tariffs. These are truly contributory factors, but the strength, the progress, the prosperity of a country lies in her Government, and there is no word here of a particular party Government. It is simply the con-

*The miraculous development of German industry under the Empire, says a recent writer in one of the leading English magazines, was due to the ingenious interlocking and complete co-operation of bureaucracy, capital and labour.

ception of government that is innate in the Anglo-Saxon, and this is in the most part due to his training under the pronounced individualism of the early part of the Nineteenth Century, and the *laissez-faire* doctrine of the Free Traders,—“The English system of Government by politicians is bound up with the English distrust of the expert, and disbelief in education.” Until our rising generation has it instilled into their very marrow, that Government in these times, and under the modern conditions which have developed, is and must be paternal, the supremely significant place of Government in respect of the general advancement of a country will not be understood. When we find other Governments, like that of Germany, not merely maintaining law and order and providing protection against outside enemies, but also directly studying industry and commerce and agriculture, and finding out the best markets, and developing cheap means of transportation, it is time to awaken to the possibilities of the power and benefit of Government in relation to its individual citizens. When “Government has surrounded itself with experts in all departments of national and individual activity, and is ready to give the latest information on any line of human industry, surely the function of Government is seen to be co-extensive with all the interests of population ; it is not a thing apart, but is the very heart of the possible prosperous existence of the people. Instead of merciless competition as between the manufacturers and the transportation companies within a country, it has been brought about, through such a Government as we have referred to, that the railroads and waterways, the great industries in the city, and the farming in the country, have formed a joint council to further the interests of all concerned. Government did not halt even at this point, but the educational centres, and all their army of investigators were yoked with the factories and farms, and all the latest developments in science were placed at the service of the men in industry. Through the agency of Government there was a co-operation, an interlocking,

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a mutual helpfulness, that left no side of the producing life of the nation untouched.

What a feeble entity is Government in our Canada in comparison ! It is a sort of Sleeping Giant, quite unconscious of its potential power.* By the average citizen, it has come to be regarded more or less as a form of necessary evil to be endured, since it cannot thus far, under democracy, be cured. Yet a little study of history will show what vast changes have been brought about by Government. It reveals the astonishing manner in which the youth of a country can be moulded and shaped in respect of character and career ; and while it gives evidence of the strength and weakness of monarchy and republic alike, it sets them side by side and affords a contrast. The student and the reader learn that where party interests are promoted (as in democracies of to-day), those of the nation are forgotten or disregarded ; that in democracies (republic or monarchical) the medium is words, and power for action depends on the particular predilection of the populace. Public questions and matters of great weight, pith and moment are adopted, or rejected, according to their popularity or unpopularity. The eye of the man in the Government under a democracy is ever on the crowd. " Will this policy gain or lose votes ? " And in times of great duress, when the very existence of nationhood may be in the balance, as during the Great War, the leader of a democratic Government may be seen trying to unite the citizens in action by begging and beseeching them to do what was their plain ordinary duty.†

Present-day experience compels the belief that Democracy is no more than a vast experiment. It is futile to try to make the world safe for Democracy,

*The reader will bethink himself of the Sleeping Giant at the head of the Great Lakes. Is it allegorical ? It lies between east and west ; it is supine ; it slumbers and sleeps. Is it a picture of Federal Government in Canada ? Contrast it with the living colossus that the German Government was before 1914. It took the world to compass—and confine it.

†Thus Ellis Barker in his book, " Modern Germany."

without facing the prior and much more fundamental question, How to make Democracy safe and stable for the world ?

Some searching comments have been passed on Democracy in recent years, especially in the light of Democracy's contortions during the War (1914-1918). We have been told that a modern Democracy has too many masters, and that every citizen under such a form of Government claims the right to obey or disobey, as he is one of the masters. And this is quite in accord with the well known dictum of Bagehot, that the natural instinct of Englishmen (and he might well have added Anglo-Saxondom) throughout the world is to resist authority.

It is the pandering of politicians to electors that is so dangerous for the future of Democracy ; to be widening the gates of liberty without a corresponding education of the voters to the responsibilities of enlarged freedom is to widen liberty till it becomes license. Politicians emphasise people's rights without at the same time stoutly declaring they have duties. Democracy is commonly defined as "rule by the people," but it should read, "by a people fit for it." As we do not give an aeroplane into the hands of a babe to control its flight, why should we entrust government to those unfitted for it ? Is not education as necessary in the exercise of all that belongs to citizenship and right choice of government as for business, a profession, or any form of intelligent appreciation ?

If it is not possible to adjust the authority of Government with the liberty of the subject, then Democracy reverts to absolutism, as it did in Rome, or degenerates to Demagogism, as it did in Greece. So far, Democracy, as existent in Britain, France and the United States, has been unable to accomplish even anything remotely comparable to what Germany carried into effect in the same time, and that, a remarkably short time.

To write in such a fashion is to hold no brief for Government as it was in Germany, but rather to display the glaring weakness of drifting Democracy. The

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Ship of State in Democracy's present stage of development never knows how long it can hold on any one course. At any time the helmsman may be displaced and disregarded, and a new course taken and a new haven sought. But the Ship of State is allowed no rest ; though it does not know where it is going, or what gyration comes next, it is ever on its way. Has Government, then, under disregardful Democracy, become aimless, albeit artful, activity ?

Government under Democracy has been set example in other ways. Cheapness and promptness of justice, efficiency of national education, excellence of public services, absence of muddle and waste—these and the like—so often more honoured in the breach than in the observance, by Democractic Governments—have been successfully wrought out and carried into effect under Government control in other lands than in Canada. These things can be done in Canada, but not unless and until our people properly comprehend the value and importance of Government in all that belongs to the individual and collective prosperity of the entire country. How is it to be done, it may be asked ? It is a matter of constant and persistent education and discipline. And the education and training must begin with the youth in the schools,* where they are plastic and under authority. The politics and economics of our land, and the study of other similarly governed lands, are of paramount importance, and the rising generation of the land that first realises this, will rapidly forge ahead of those who regard Government as but an incident in the life and welfare of its inhabitants.

The amazing efficiency of the Germans, revealed as well in the war as before it, was not due to greater ability, but to greater ability to take pains, and that followed on a political system that systematically studied and bettered every service, industry and activity within its bounds.

Where other lands of Europe saw their agriculture

*One of the pre-war slogans in Europe read, "If a people want a great reform, take it back into the schools."

decline and decay, or remain stagnant and stationary, Germany more than doubled the value of such production. In thirty-five years, the engine power of Prussia increased sevenfold; and while British manufacturing industries scarcely varied, those of Germany marvellously increased. The policy of action, of wise Government aid and advice, far surpassed in results that policy of *laissez-faire* and non-interference, to long glorified by the Free Traders and the Manchester School, as to have become an obsession and a fetish. In the one case, there was a people educated to understand and employ science and art as sources of wealth and strength and prestige; in the other case, the Anglo-Saxon peoples everywhere suffered education to remain academic and amateurish. Their professors and Scientists tended to toy with Science, and their Universities beat the same straw as their forefathers. Whereas one great glass industry in Germany had seven or eight Doctors of Philosophy, all experts, studying the secrets of glass, a similar industry in Britain had one private expert investigator. This condition obtained some years before the war.

The secret of success in strength, wealth and efficiency, lies in careful training of the rising generation. Switzerland is a successful Democracy. She keeps her place and maintains her wealth by being efficient, businesslike and provident. Her Government governs in the large paternal sense of the word; it does not drift. When we in Canada cease to tolerate the politician that panders, and support leaders who preach and practice duty, patriotism, and work, as do the Swiss Statesmen, and as did the German leaders before the war, there will be no question as to Canada's rapid increase in population and prosperity; and this, too, can and must be accomplished by education.

The shallow argument that the Anglo-Saxon race had wondrously expanded, and colonised, and flourished in so many lands and so many climes, is met by pointing out that it was first in the field without opposition. It was not because of its Democracy, but in spite of it,

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that success followed unchallenged expansion. A Democracy that is characterised by self-indulgence rather than duty and work, could never have stood up in competition with a Democracy that went forward under discipline, expert training and education—an education that inculcated not only the theoretical, but carried it out in career and conduct. The people of a Switzerland are technically trained in all departments in which they are engaged ; but they are also educated in patriotism, the spirit of work, and a strong sense of duty as individuals and citizens. All this, under enlightened Governmentalism, has been wrought out successfully on a small scale in a pure Democracy, i.e., Switzerland ; and this has proved that for success, an absolutism, as in Germany, is not a necessity. It can be done in a Canada or an Australia equally well, but only through the leadership of enlightened Educators working with youth and adults. The ancient adage holds here as elsewhere—“ You cannot teach an old dog any new tricks.”

In the light of these facts, it was hoped the war would lead to the modernisation of Anglo-Saxon Democracies and Governments ; that their many vices and weaknesses would be revealed and rejected ; and that the virtues of the enemy's system and organisation in Government, education and operation, would be assimilated. It still remains undone ; and till it is done, there will be no growth that is at once rapid and yet devoid of the weakness of, for example, a United States Democracy.

The last clause of the previous paragraph has strange significance for native Canadians. They have watched the remarkable growth and expansion of the American Republic, and have been duly impressed by it so far as the material side is concerned, but they have never desired a similar expansion at the same expense. Canadians regard their native-born sons and daughters as much superior in duty, in principle, in loyalty to employer, and in general integrity. The Americans themselves bear testimony to this opinion by the eagerness shown to secure young Canadians, and the readiness

with which they usually obtain work and retain their positions, and the estimation of employers. This is especially noticeable in respect of places of trust.

The extraordinary susceptibility to new fads, the general flippant and superficial attitude towards the sanctities, as marriage, home, parents, church—these and the like characteristics in the U.S. lead the native-born Canadian to regard his democracy as still much superior to the brand across the boundary. He never discusses U.S. without this detached air, without a mental reservation, which, if it is not expressed because of *les convenances*, is always in the background; and, if it is run to earth, it is always found to be a sense—and that a very strong one—of superiority so far as comparison of life and conduct is concerned.

If there is this deeper and stronger moral and spiritual background in the Canadian character, it is supremely important that it be maintained. And this is but another reason, and another argument, for a progress and a development that will be brought and wrought through an education that has as its content the best from the countries and capitals which have reached the highest level in power, productivity and personality.

SUPREME TROUBLE.

APPENDIX TO CHAPTER X.

ANY writer who mentions Germany to-day is met with the objection, "Germany failed, and was it not because she missed something? She paid too high a price for her great and rapid increase in material wealth and prosperity." The answer is a ready agreement with the objector.

There is room, however, for discrimination, for a distinction and a difference. It is surely possible to profit by Germany's successes, as well as by her mistakes,

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And it should not be impossible to separate her tremendous scientific and economic experiments and successes from her egregious blunders. To see that this is possible, one has but to understand that German mentality founded its idea of the State on a philosophical basis, and deliberately, though grossly, used it for the building up of a system of purely self-centred national ethics divorced from universal ethics—the peculiar and distorted system of national ethics developed out of the ethical system set forth by the German philosopher, Hegel. He set up the State, as a U.S.A. psychologist * has recently put it, as the highest expression in our world of universal mind—or reason—the absolute self-consciousness ! The State was that for which men exist ; men were before all things citizens ; and all man's ethical obligations derive from his status as a citizen—as a member of a large whole—apart from which he is of no value, and has no ethical rights or duties. According to the teachings of this system, a man's conduct is right or moral, in as far as he obeys the State, serves it, promotes its welfare, and plays a part as a faithful cog in the great machine ; but in so far as his acts may have no relation to the welfare of this larger whole, they are morally indifferent and without ethical significance. Thus, the doctrine of the famous Kant is reversed : each man is no longer as end in himself, but solely a means to an end, namely, the welfare of the State.

In identifying the State with the Nation in a further development, and both as the highest expression on earth of the universal reason, the Germans deified the State ; and it only remained, by the power of Prussian education, to leaven the plastic minds of the youth in the schools with this notion. This was done, and as a result, a generation grew up for whom the State, the Nation, the Fatherland, took the place of God.

This is the explanation of the fanatical zeal of the Germans for their Kultur (*i.e.*, the full life of the nation—

*Professor McDougall of Harvard University.

industrial, social, scientific, artistic, etc.), and of their fixed belief that such Kultur—the embodiment of a teaching, founded on such a conception of their Nation—was a world-gospel—a message to carry to the peoples of the earth, by virtue of which, under German tutelage, they could find their highest end and purpose—in one word, their salvation. Other peoples, however, desired to work out their own salvation according to their own peculiar genius, and in line with their own ideals.

If, then, Anglo-Saxon peoples have clearly understood the German positions, they can readily divorce this distorted notion from the paternal governmentalism that interested itself in the general business welfare of the people. No sane man could be blind to the amazing economic progress in Germany. No Board of Trade or Chamber of Commerce should shut its eyes to what was accomplished in manufacture, agriculture, transportation, etc. ; nor should such Boards remain ignorant of the methods by which such increase in productivity and wealth was brought about. *It is one thing to condemn a people where they have erred in ethics ; it is another to refuse to profit where they have signally succeeded in economics.* There is no denying the patent fact that Germany, in the face of the keenest commercial competition, increased her wealth and resources in remarkable fashion, and in a comparatively short period of time. She astonished the world by the growth of her population in city and country, by the addition to her national wealth, by the improvement in all forms of industry, and by the application of scientific methods.

It may be safely, even conclusively, maintained, therefore, that no other nation can afford to ignore the study of the modus operandi of such a present-day commercial procedure. Canada can ignore that which resulted in a cataclysm, but it is at her peril to ignore the application of science to her political economy.

Proper education, and its proper application in the world of business, and proper education concerning the wise use of that superlative instrument, Government, did produce a perfectly astounding material prosperity,

it can be done again and without provoking "moral censure and armed resistance."

There is still this further question: Is the high efficiency reached by an Autocracy impossible in a Democracy, where the liberty of the individual is paramount? During the war and immediately after it, many writers dwelt on this contrast between Democracy and Autocracy. In all cases, however, they apparently assumed that it was impossible to separate the effective economics of the enemy, with its rapid and remarkable success, from his theory and practice of State Government in relation to the individual citizen: in a word, they implied that the sacrifice of the individual to the State was necessary to such high efficiency as Germany attained. The outside world also learned of this astounding efficiency of Germany; but it, too, was led to believe that the necessary concomitant or corollary was a large limitation of that individual liberty which has ever been the glory of Anglo-Saxon Democracy.

While it is perfectly true that the Prussian bureaucracy did subserve the individual to the State, yet it does not follow that efficiency and its supreme success in the world of trade and commerce are inseparable from the supremacy of the State and the consequent subservience of the individual. It is not a question of either efficiency through Autocracy, or no highest efficiency at all. It is true that muddling Democracy has failed to produce an efficiency comparable to that of Autocracy. But must a nation be autocratic to be efficient? and does Democracy have to be a muddle and a meddle in order that individuals may be the chief end, and enjoy the fullest liberty of thought and expression? Is Individualism, seeking and finding play for its largest possible self-expression in a Democracy, in any way contradictory to attaining, at the same time, highest efficiency through Government and Education? What barrier is there between marvellous efficiency through the State on the one hand, and personal welfare as the chief end of society or nation on the other? Surely the greatest efficiency is not a hindrance or handicap to the greatest possible

expression of the individual. The State, and Government and Education under the State, are Democracy's own creation: it is of the people and by the people. If it cannot work out the ways and means for an efficiency equal to, or better than, that of a State Autocracy, it is to that extent a failure, and stands so adjudged; while it reveals in that very fact, some fatal weakness. A little consideration will suffice to show the real situation. A drifting Democracy has spelt meddle and muddle, and consequently no strict attention to efficiency; a true Democracy would protect the liberty of the subject, but not at the expense of efficiency. There is no contradiction between these two. The real problem is properly to combine the two, so that both may function and in proper proportion; and boasted democratic lands will either boldly face and undertake this task, or stand by and see a country, like Germany, again attain the extraordinary economic position she occupied before the Great War—a position that, with such a country in league with another similarly situated nation, may challenge Anglo-Saxon civilisation, and, in the end, even threaten chaos, through a struggle for world supremacy.

EDUCATION.

CHAPTER XI.

EVEN an attempt at a slight presentation of such a subject as education calls for no inconsiderable canvas: a ventured discussion of such a topic with such a history is, at best, but to throw words at a big subject, for it is a theme of never-ending disputation. Its claims—cultural, disciplinary, practical—have been argued and re-argued from the days of the greatest among the intellectual giants of Greece, to the times of such geniuses as Bacon, Rousseau, and Froebel. And the education of Interest, or Content, as championed by

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this same Rousseau, versus the Education of Effort as emphasised by evolutionists, still awaits reconciliation in theory and embodiment in practice.

So far as Canada is concerned, it seems settled that vocational and technical education is to have a large, if not the largest, place in the coming time. The tyranny of archaic examinations has yet to be tumbled, though the difficulty of some satisfactory substitute as a hallmark, remains unsolved.

The preparation for the professions has been too much the monopolising concern of higher education. If teachers, experts in the most skilled trades, in Home and Foreign Commerce, and in the development of natural Resources, were placed on an equal status with the so-called professions, a long step would be taken in the democratisation of Education; and the benefactor who could effect such a consummation might well deserve a national monument. It would mean a courageous acceptance of specialisation; but that has become a necessity in these days of strenuous international competition.

The same specialisation is requisite in all that pertains to the cultivation of the land, if the trek from the farm to the lure of the lights, and the consequent lust of luxury and licence, are to be halted.

To-day, soft jobs of the white collar order are sought, not merely because of the city's lure, but because, and may it not be added, chiefly because, in the country and about the farms, virile manhood is, under present conditions, starved of the needful decencies and requisite recreations of modern life. No one has longer hours or more varied occupation, than the working farmer in a new and sparsely settled district. Literally, he must be everything by turns, and nothing too long; and at certain seasons he labours from before daylight till after dark. How necessary then, that such folk, both men and women, should have surroundings and amusements, interests and diversions, at once helpful and healthful! And how requisite

also that the many creature comforts should be within the reach of their home and their purse !

The solution of such seemingly secondary, but really primary, problems, calls for a sympathetic attitude and serious deliberation.

The science of "career selection," for the benefit of the youth of both sexes, has also great need to be studied in this day. The rapid development of intelligence tests gives promise of help here. Even at the present stage of these tests, much can be done in classifying boys and girls, both in primary and secondary schools ; and already it is evident that much time and money can be saved, if pupils are tested and subjected to preliminary terms of observation. To be able to separate the dullards from the clear heads will, besides effecting a wonderful saving in time and energy, be of tremendous value to teachers, and enable education to get results that promise to be positively amazing.

Intelligence tests under direction of psychologists of leading universities on this continent, notably in the Eastern States, purpose a further step, according to a very recent announcement : it is intended to make use of a higher stage of such tests, to aid high school graduates and university students to determine the vocation to which they are best adapted by natural interest and native ability.

As has been often said, the best assets of any nation are its men and women. These mean much more in value, both ethically and economically, than resources, however rich. And the future men and women are present boys and girls. If they possess character, and are gifted with pregnant parts, and have all the advantages of the highest intellectual training and instruction, the talk about what is the matter with Canada will not be heard for long.

Naturally such a rising generation must come from and through the schools, which, according to a present time authority in education, should be both the seed plot and the practising ground of personal character ;

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and, by character, is meant the full personality—intellectual, emotional, volitional, spiritual.

All that has been written thus far, as the reader will readily recognise, constitutes but general observations in line with much of the educational debate of to-day. Not forgetting the grave import of what can but be referred to in a very passing fashion, it is rather Education, in connection with the general argument of this brief brochure, that the writer seeks to discuss. And although this will be but a part of education, it is this part that the author prays may be incorporated somewhere in an improved and, if need be, abbreviated curriculum.

Possessed as we are in Canada of the priceless blessing of Anglo-Saxon democracy, with its fundamental idea of individual liberty, it becomes necessary to shew how highly organised government direction in the form of paternal patronage, touching and benefiting all the activities of people, can be successfully associated with this same Anglo-Saxon democracy. The problem is the preservation of the jealously guarded individualism of a people in whom this conception has been bred in the home. The possibilities of education, however, in this regard are abundantly evidenced by recent history. The plasticity of youth has been found to be so pronounced during the earlier years of school age, that it can be imbued with any interpretation of government that is determined and agreed upon by those in control of its education; and it is surely sufficiently plain even to a mean comprehension, that, to-day, Democracy must be differently interpreted to our young people! They must be imbued with the ideas and ideals of paternal government; and they must be shewn from actual instances, the immense power that can be exercised by an enlightened governing body in respect of all that concerns the business welfare of their native land. When they have been duly informed and instructed that a government can aid industries directly and indirectly; that it can (because it does in some lands) afford large measures of protection

to industries by bounties and tariffs ; that it can give great assistance through highly trained experts to those engaged in farms, forests, and factories, in mining and fishing, and in shipping and transportation and the like—then these young folks will naturally take a keen interest in elections for the choice of men and ministers to represent their interests, and they will likewise afford such a Government all possible power and support. In theory, a Government possesses, under present-day institutions in Canada, very wide powers ; in practice, however, no Government has really begun to exercise these powers.

Thus far, governments have been content to maintain law and order, give the citizen the largest measure of freedom consonant with his membership in society, and then allow him either to get rich or to go to the devil ; to become a bishop or a bolshevik ; to run for office or to ruin ; to risk his resources or his neck. But why should government stop at maintaining law and order ? Why should not the citizen empower government to go on and do all possible to benefit education, industry, commerce, and all that pertains to legitimate human activity ?

Democratic government, in the very birthplace of representative government, found its philosophic basis and justification in the doctrine of *laissez-faire* and non-interference, and the greatest good of the greatest number ; but while this was its ideal, in reality (as a sardonic wit has put it) the number has ever been number One.

One youth must be instructed, on the other hand, that government is not interfering with the right of any owner or operator, when it makes a special study of his business. It is carrying on such investigation, that it may be in possession of all the data possible in order to compare and contrast all business of a similar nature in its own country and in all other lands.

An illustration will give the best proof of the value of such a procedure. A man or a number of men wish to build some new ships on the Atlantic or Pacific coast,

Off their own bat, and at their own expense, they may or may not find out the present condition of shipping, the number of ships building elsewhere, the number engaged in the business, the number laid up, the rates being paid for freight and passenger transportation, and the profits made in recent years. They can also turn to the Government, and if it is what it should be, all this information is ready at hand for these enquirers. Or, it may be, business men or farmers wish to know how to improve their conditions ; they wish to increase production or they wish to reduce the difference between cost of production and value received for the finished product. Should they be required to do this at their own expense ? It has been on this wise in many lands, but not in all. There are countries where Government has considered it wise to gather all the available information for just such eventualities ; and the farmer or the manufacturer has but to apply to the proper department and he receives all he is seeking free of charge.

This is far from all that governments, to which the freest exercise of such forms of power has been delegated, have done. Such governments have vastly increased the trade of their countries, and have seen their population multiply, and their commercial centres and their countryside grow in wealth and attractiveness.

But what about the consumer ? Who is to pay for all this great additional overhead expenditure ? The answer is at hand : it has been paid for, and more than paid for, many times over by increased profits in countries that have tried it, and this has been due to increased trade, more economical methods, improved and cheaper transportation, large measures of co-ordination and co-operation, and the interlocking of manufacturing, agriculture, and industry in general, with railways and ships. The development, in truth, has been proved to be so immense, that taxation has been reduced, savings bank accounts have gone up, insurance has increased, and general prosperity has improved ; and all this in such a comparatively short period, that the student is introduced to a condition that can only

be described as dizzy arithmetic. He rubs his eyes as he reads the mounting figures that represent additions to national wealth and reductions in liabilities.

Educate the youth to such conception of organisation, investigation and improvement, under a scientific paternal government, ably and honestly conducted, and there can be no doubt as to Canada's future.

It has been done elsewhere. It has been done in Switzerland, under a democracy qualified by the best brains from among the people; and there is something wrong, if our people cannot be led to see the value of a democracy so qualified by education as to make possible such a government, and such a consequent increase in population.

To effect this consummation, there must be education. There must be courses in civics and economics, to reveal the meaning and potentialities of present-day government. Such courses could be given in the final years of elementary schools, and throughout the several years of the High Schools. When coming citizens have been shewn that another Government has increased prosperity and population, has bettered conditions and improved international trade and relations, they will demand of the government under which they live, a similar course and similar results, or know the reason why.

It was noted in a previous chapter that one of the pre-war slogans on the continent of Europe ran in this wise: "If a people want a great Reform, take it back into the Schools."

Text-books on Government in its various phases, and an account of its development in the different countries, should be prepared; and in conjunction with these books, courses should be outlined shewing what has been accomplished by Governments, and what possibilities are in the hands of well-directed Governments. Classes in civics and politics of this order must be compulsory for the growing youth. No boy or girl should be allowed to leave school without a thorough introduction (if no more is possible) to all

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that pertains to civic and political institutions ; and in connection with such work there should be presented a full story of the amazing results obtained in the world of man through education. The history of how Canada is governed, and the latest developments in the known world of the results obtained through government and education in all departments of industry and business in many lands, must find a large place in books and courses. As was proved by Germany, a very few years would suffice to effect a far-reaching change in the attitude of a people towards its two most important and most powerful agencies in advancement of its best interests and of civilisation as a whole.

A very valuable part of this education concerning Government might be in the direction of ways and means to reduce over-government. Canada to-day has too many parliaments and too many members in these parliaments. If the youth were shown how much government, Federal and Provincial and Municipal, is costing, and that this load will pass on to their shoulders when they are adults, there would be results. There is no hope with the present adults—they cannot learn new tricks ; but education here, as elsewhere, can be made omnipotent with the coming generation.

Such a Canada is the hope of the writer. He does not believe these ideas are Utopian. They are feasible, because they have been put in practice in modern times ; and they constitute the solution and a very practical and possible solution of the pressing question, "*What is Wrong with Canada ?*"

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